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Application Proof of

Trunk Technology (Beijing) Co., Ltd.

主線科技(北京)股份有限公司

(the “**Company**”)

(A joint stock company incorporated in the People's Republic of China with limited liability)

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TRUNK

主 線 科 技

Trunk Technology (Beijing) Co., Ltd.

主 線 科 技 (北 京) 股 份 有 限 公 司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])

Maximum [REDACTED] : [REDACTED] per H Share, plus
brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)

Nominal value : RMB0.10 per H Share

[REDACTED] : [REDACTED]

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinators,
[REDACTED]



國泰海通
GUOTAI HAITONG

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

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The [REDACTED] is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the [REDACTED]) and our Company on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] (Hong Kong time) and in any time no later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will not be more than [REDACTED] per [REDACTED] and is currently expected to be not less than [REDACTED] per [REDACTED]. Applicants for [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of [REDACTED] for each [REDACTED] together with a brokerage fee of 1.0%, an SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] as finally determined is lower than [REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the [REDACTED]) and our Company, the [REDACTED] will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.trunk.tech as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. For further information, see “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the Overall Coordinators (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Such grounds are set out in the paragraph headed “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — Grounds for Termination” in this document. It is important that you refer to that section for further details.

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high [REDACTED] risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. [REDACTED] should fully understand the [REDACTED] risks of a Specialist Technology Company and the risks disclosed by our Company before making their [REDACTED] decisions.

Prior to making an [REDACTED] decision, prospective [REDACTED] should carefully consider all of the information set out in this document, and in particular, the risk factors set out in the section headed “Risk Factors” in this document.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

This document is issued by us solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of making, and does not constitute, an [REDACTED] or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document for purposes of a [REDACTED] and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [REDACTED] in the [REDACTED]. In particular, we are a specialist technology company seeking to [REDACTED] on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. In addition, we have incurred operating loss since our inception, and we may incur operating loss for the foreseeable future. We had negative net cash flow generated from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your [REDACTED] decision should be made in light of these considerations.

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully in full before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We develop and provide L4 autonomous truck solutions in the PRC. Our solutions are deployed across three commercial scenarios: Trunk Port (logistics hubs), Trunk Pilot (road freight) and Trunk City (urban transportation). These solutions incorporate three main product categories: AiTruck (autonomous trucks), AiBox (intelligent edge devices), and AiCloud (intelligent cloud platform and related intelligent cloud services). As of the Latest Practicable Date, we had cumulatively delivered 1,283 AiTrucks and 381 sets of AiBox, and had an order backlog of RMB236.0 million as of April 30, 2026. In September 2025, we were designated as a National “Specialized and New” Key Little Giant Enterprise (國家級專精特新重點小巨人企業).

Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025, representing a CAGR of 60.3%. Our gross profit increased from RMB16.4 million in 2023 to RMB93.3 million in 2025 primarily due to changes in product mix, including a greater contribution from higher-margin AiCloud products, as well as economies of scale and the increased commercialization of our solutions. According to Frost & Sullivan, we ranked fourth among providers of autonomous driving solutions for commercial vehicles in China in terms of revenue in 2025, and we are among the early enterprises in the PRC with capabilities spanning: (i) proprietary full-stack L4 autonomous driving technology; (ii) vehicle-agnostic deployment capabilities; and (iii) commercial operations across diverse logistics scenarios.

OUR SOLUTIONS AND SERVICES

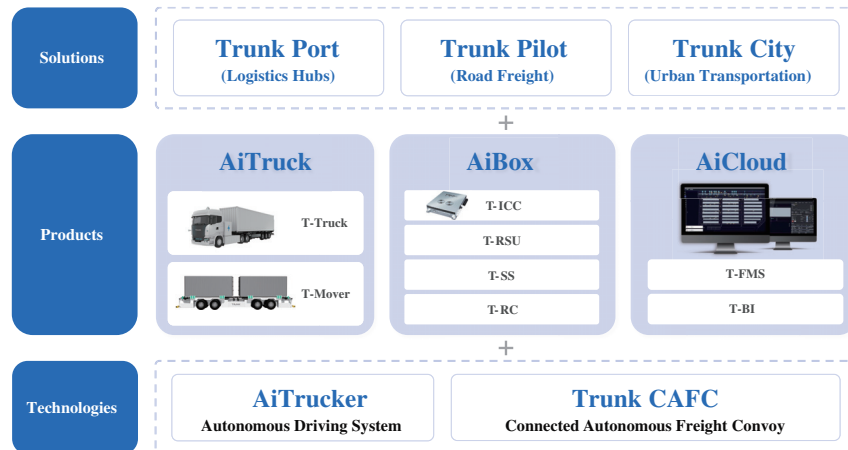
We offer integrated end-to-end products and solutions comprising three core products: intelligent autonomous trucks (AiTruck), intelligent edge devices (AiBox) and intelligent cloud platform and related intelligent cloud services (AiCloud). Our three-tier solutions are designed to enhance safety, efficiency and environmental performance across three core commercial scenarios:

- **Trunk Port** (logistics hubs): we offer a fully driverless transportation solution that addresses the logistics need within seaports, river ports, dry ports, border crossings and industrial zones. According to Frost & Sullivan, Trunk Port is the first driverless transportation system solution commercially deployed for ports in the PRC, and we are the first autonomous driving company in the industry to achieve fully driverless, weather adaptive and end-to-end operations in heavily mixed-traffic port environments.
- **Trunk Pilot** (road freight): we offer intelligent transportation solutions designed for road freight, focusing on express delivery, LTL freight, bulk cargo, refrigerated freight and short-haul drayage. Our Trunk Pilot solution is among the first solutions in China to achieve interprovincial autonomous truck platooning transportation.

SUMMARY

- **Trunk City** (urban transportation): we offer intelligent solutions that integrate vehicles, roadside infrastructure and cloud platforms to upgrade urban distribution logistics and public transportation.

The diagram below illustrates our core product matrix and solutions, underpinned by our core technologies:



SPECIALIST TECHNOLOGY PRODUCTS

Our autonomous driving technologies underpinning our autonomous driving solutions fall under the acceptable sector of “advanced hardware and software,” respectively, that are included in the list of Specialist Technology Industries set out in Chapter 2.5 of the Guide for New Listing Applicants. The table below sets out the analysis of how our solutions, services and technologies fall within their respective acceptable sectors:

Specialist Technology and Acceptable Sectors	Applications	Origins and Ownership of Relevant IPs
Specialist Technology Product – Trunk Port		
Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles	A turnkey driverless transportation solution tailored for logistics hubs. Its target market covers seaports, river ports, inland ports, border crossings, as well as production and commercial service hubs such as large factories, warehousing and logistics parks and distribution centres.	Self-developed and Proprietary (Patents: 92/Software Copyrights: 22)
Specialist Technology Product – Trunk Pilot		
Advanced hardware and software – Electric and autonomous vehicles – autonomous vehicles	An autonomous trucking solution designed for road freight, targeting core sectors including express delivery, LTL freight, bulk cargo, refrigerated freight and short-haul drayage.	Self-developed and Proprietary (Patents: 107/Software Copyrights: 43)

SUMMARY

Specialist Technology and Acceptable Sectors	Applications	Origins and Ownership of Relevant IPs
Specialist Technology Product – Trunk City		
Advanced hardware and software – Advanced transportation technology – Intelligent transportation systems .	An intelligent solution designed for urban transportation, which integrates vehicles, roadside infrastructures and cloud platforms to upgrade urban distribution logistics and public transportation.	Self-developed and Proprietary (Patents: 50/Software Copyrights: 12)

OUR STRENGTHS

We believe that the following strengths contribute to our competitive position and distinguishing us from our competitors: (i) market leadership and early-mover advantages; (ii) proprietary “One Driver” L4 system: foundation for scalable cross-domain commercialization; (iii) integrated product ecosystem driving synergy and commercial scale across multiple scenarios; (iv) an ecosystem supported by collaborations across the industry value chain; and (v) high-calibre talent base and R&D-driven culture powering continuous innovation.

OUR STRATEGIES

We plan to implement the following strategies to achieve our mission: (i) invest in the R&D to continuously enhance autonomous driving and intelligent transportation technologies; (ii) promote mass production and multiple scenarios commercial deployment; (iii) expand market reach, deepen strategic partnerships and pursue selective strategic investments; (iv) accelerate global expansion and international cooperation; and (v) attract and cultivate world-class talents.

INTELLECTUAL PROPERTY RIGHTS

As of December 31, 2025, we have been granted 249 patents, including 247 in the PRC (covering core high-value patents such as perception fusion, low-power consumption model compression and platoon control) and 2 in the United States, and 80 software copyrights. See “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights” for more information.

CUSTOMERS AND SUPPLIERS

Our major customers include state-owned enterprises and private enterprises operating in the industries including port operation and logistics. For the years ended December 31, 2023, 2024 and 2025, the revenue generated from our largest customer accounted for 20.0%, 30.2% and 14.4%, respectively, of our revenue during those periods. For the years ended December 31, 2023, 2024 and 2025, the revenue generated from our five largest customers in each year accounted for 64.6%, 67.9%, and 48.6%, respectively, of our revenue during those periods. Substantially all of our customers we served during the Track Record Period are located in the PRC.

Our major suppliers primarily include technology and machinery companies as well as automotive OEMs during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, charges from our largest supplier for our key business operations accounted for 10.1%, 16.1% and 16.6%, respectively, of our total purchase amount during those periods. For the years ended December 31, 2023, 2024 and 2025, charges from our five largest suppliers in each year for our key business operations accounted for 39.6%, 54.3% and 43.2% respectively, of our total purchase amount during those periods. All of our suppliers we engaged during the Track Record Period are located in the PRC.

SUMMARY

COMPETITIVE LANDSCAPE

The commercial vehicle autonomous driving industry is currently undergoing a fundamental paradigm shift from “human-driven” to “intelligent-driven” operations, marking a critical transition from technological validation to large-scale commercialization, according to Frost & Sullivan. According to Frost & Sullivan, we ranked fourth among autonomous driving solutions providers for commercial vehicles in China in terms of revenue in 2025, with a market share of approximately 2.7%. We were the only top-five player with commercial operations spanning both closed-road scenarios (seaports, border crossings, industrial zones) and open-road scenarios (long-haul logistics, urban logistics and urban transportation). In long-haul logistics, we recorded the lowest disengagement rate among major competitors at 1.22 times per 10,000 km. Despite our leading position, the market is rapidly evolving and highly competitive. See “Risk Factors — We operate in a highly competitive industry” and “Industry Overview”.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. We believe the most significant risks we face include but are not limited to the following: (i) if we are unable to develop and introduce new solutions and services or improve existing solutions and services in a cost-effective and timely manner, our competitive position would be negatively impacted and our business, results of operations, and financial condition would be adversely affected; (ii) substantial investments in R&D may not generate the results we expect to achieve, and may result in adverse impacts to our financial condition and results of operations; (iii) if we fail to retain our key R&D employees, our ability to conduct R&D, the progress of our R&D programs, and our ability to protect our IP could be adversely affected; (iv) we have a relatively short track record in the commercialization of our solutions and services, and any failure to commercialize our technologies, products or services at scale may have a material adverse effect on our business and results of operations; (v) we operate in a highly competitive industry. Failure to compete successfully will result in a decline of our market share or force us to reduce our pricing, which in turn adversely affect our results of operations, financial condition and prospects; (vi) failure to obtain and maintain adequate intellectual property rights protection for our technologies and products may undermine our competitiveness and have a material and adverse impact on our business, prospects and results of operations; and (vii) we may not be able to obtain additional capital when desired, on favourable terms or at all. See “Risk Factors” for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhang Tianlei directly holds approximately 28.25% Shares of the Company. In addition, Mr. Zhang Tianlei is the general partner of Tianjin Zhuxian and Tianjin Zhugan, which held 4.94% and 15.93% of the Shares of our Company, respectively. Accordingly, as of the Latest Practicable Date, Mr. Zhang Tianlei is entitled to exercise the voting rights of approximately 49.12% of the Shares in our Company through Shares held by him directly, as well as Tianjin Zhuxian and Tianjin Zhugan.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhang Tianlei will be entitled to exercise [REDACTED] of the voting rights of our Company, comprising: (i) [REDACTED] of our voting rights through Shares directly held by him, and (ii) [REDACTED] of our voting rights through Shares held by Tianjin Zhuxian and Tianjin Zhugan. Therefore, Mr. Zhang Tianlei, Tianjin Zhuxian and Tianjin Zhugan will remain as the group of Controlling Shareholders of our Company upon completion of the [REDACTED].

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants’ Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with HKFRS.

SUMMARY

Selected Items from the Consolidated Statements of Profit or Loss

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

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentage)</i>						
Revenue	134,112	100.0	254,093	100.0	344,513	100.0
Cost of sales	(117,716)	(87.8)	(196,480)	(77.3)	(251,194)	(72.9)
Gross profit	16,396	12.2	57,613	22.7	93,319	27.1
Other income	7,179	5.4	3,403	1.3	7,080	2.1
Other gains and losses	13,475	10.0	39	0.0	938	0.3
Selling and distribution expenses	(19,718)	(14.7)	(19,610)	(7.7)	(20,550)	(6.0)
Administrative expenses	(40,538)	(30.2)	(30,223)	(11.9)	(38,243)	(11.1)
Research and development expenses	(119,407)	(89.0)	(115,162)	(45.3)	(120,253)	(34.9)
Finance costs	(69,210)	(51.6)	(81,418)	(32.0)	(79,824)	(23.2)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	(803)	(0.6)	(1,822)	(0.7)	(1,651)	(0.5)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	(212,626)	(158.5)	(187,180)	(73.7)	(170,936)	(49.6)
Income tax expense	—	—	—	—	—	—
Loss and total comprehensive expenses for the year	(212,626)	(158.5)	(187,180)	(73.7)	(170,936)	(49.6)

Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025 with a CAGR of 60.3%. The increase in our revenue during the Track Record Period was primarily driven by the increasing market demand for our solutions and expansion of our customer base resulting from the successful commercialization of our autonomous driving technologies and products as well as continuous improvements to those offerings. We did not record any revenue from Trunk City in 2025 as none of our ongoing Trunk City projects had been completed and delivered in 2025, due to the complexity and long delivery schedule of those projects. We expect to generate revenue from Trunk City as new projects enter the delivery phase in 2026.

The table below sets forth our revenue breakdown by business segments in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Trunk Port	39,980	29.8	181,894	71.6	127,539	37.0
Sales of autonomous driving solutions	39,980	29.8	180,437	71.0	121,365	35.2
Provision of autonomous driving services	—	—	1,457	0.6	6,174	1.8
Trunk Pilot	67,329	50.2	42,074	16.6	215,240	62.5
Sales of autonomous driving solutions	40,170	30.0	14,431	5.7	190,465	55.3
Provision of autonomous driving services	27,159	20.3	27,643	10.9	24,775	7.2

SUMMARY

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Trunk City	26,803	20.0	29,803	11.7	–	–
Sales of autonomous driving solutions	26,803	20.0	29,803	11.7	–	–
Others⁽¹⁾	–	–	322	0.1	1,734	0.5
Total	134,112	100.0	254,093	100.0	344,513	100.0

Note:

(1) Others represent our revenue from leasing AiTruck to customers.

We recorded gross profit of RMB16.4 million, RMB57.6 million and RMB93.3 million for the years ended December 31, 2023, 2024 and 2025, respectively. Our gross profit increased at a CAGR of 138.6% from 2023 to 2025, primarily attributable to revenue growth, including increased sales of solutions of higher contract value, as well as continued commercialization and product mix optimization.

We recorded a net loss of RMB212.6 million, RMB187.2 million and RMB170.9 million in 2023, 2024 and 2025, respectively, as well as adjusted net losses and accumulated losses as at the beginning of the Track Record Period. These losses were primarily due to continued investment in research and development, significant finance costs primarily consist of interest expenses on redemption liabilities related to shares with preferential rights, and operating expenses exceeding gross profit during the early stage of commercialization. We expect to continue to record net loss in 2026, primarily due to our sustained investment in research and development required to refine our autonomous driving technologies and maintain our technological competitiveness. Furthermore, despite recent margin improvements, our business scale has not yet reached a level sufficient to fully realize economies of scale, resulting in gross profit that remains insufficient to cover our operating expenses in the near term.

Path to Profitability

Notwithstanding our historical losses, our Directors believe that the Group has a path toward profitability based on the following key factors: (i) our revenue grew at a CAGR of 60.3% during the Track Record Period, supported by a total order backlog of RMB236.0 million as of April 30, 2026; (ii) our gross profit margin improved from 12.2% in 2023 to 27.1% in 2025, primarily due to optimization of our product and revenue mix, including increased contribution from higher-margin products and offerings; (iii) our operating expense ratios have declined as our revenue scales, with research and development expenses as a percentage of revenue decreasing from 89.0% in 2023 to 34.9% in 2025; and (iv) we are expanding into overseas markets to broaden our revenue base. Although we did not generate revenue from Trunk City in 2025, this was primarily due to the timing of project implementation and customer acceptance, which affected the timing of revenue recognition, and did not reflect a cessation of our Trunk City business development efforts. For further details on the Group’s path to profitability, see “Business — Business Sustainability.” There is no assurance that the Group will achieve profitability on the expected timeline or at all. See “Risk Factors — Risks Relating to Our Financial Condition — We have incurred net losses during the Track Record Period and expect to continue to incur losses in the foreseeable future, and we may not be able to achieve or sustain profitability.”

SUMMARY

Non-HKFRS Measure

The following table reconciles our adjusted net loss (non-HKFRS measure) for the years presented in accordance with HKFRS:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net loss for the year	(212,626)	(187,180)	(170,936)
Add:			
– Share-based payment expenses	11,094	4,728	50
– Interest expense on redemption liabilities ⁽¹⁾	66,485	77,839	75,866
– [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Less:			
– Gain on non-substantive modification of redemption liabilities ⁽²⁾	14,095	–	–
Adjusted net loss (Non-HKFRS Measure) for the Year	(149,142)	(104,613)	(83,268)

Note:

- (1) The redemption liabilities will be automatically converted to equity upon [REDACTED].
- (2) Represent a non-cash, non-recurring accounting gain recognized in 2023 as a result of the remeasurement of redemption liabilities following the amendment to the redemption period agreed between the Company and the [REDACTED] Investors. As such amendment did not constitute a substantial modification under HKFRS 9, the relevant redemption liabilities were not derecognized, and the resulting difference arising from the remeasurement at the modification date was recognized in profit or loss. We excluded this item in calculating adjusted net loss because it was non-recurring in nature, related solely to our historical financing activities rather than our business operations, and did not result in any actual cash inflows.

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected items from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total current assets	279,232	309,215	460,067
Total current liabilities	214,828	289,869	271,773
Net current assets	64,404	19,346	188,294
Total non-current assets	32,301	23,691	41,115
Total non-current liabilities	895,744	1,024,528	1,394,035
Net liabilities	(799,039)	(981,491)	(1,164,626)

We recorded net liabilities of RMB799.0 million, RMB981.5 million, and RMB1,164.6 million as of December 31, 2023, 2024, and 2025, respectively. The increase in our net liabilities during the Track Record Period was primarily attributable to (i) the increase in redemption liabilities arising from the preferred shares issued to our [REDACTED] investors, which amounted to RMB893.4 million, RMB1,021.2 million, and RMB1,376.3 million as of the same dates, respectively, which was driven by the recognition of additional redemption liabilities in connection with our Series B4 financings completed in 2024 and our Series B5 financing in 2025, as well as the unwinding of discount on existing redemption liabilities over time; and (ii) our net losses of RMB212.6 million, RMB187.2 million, and RMB170.9 million in 2023, 2024, and 2025, respectively.

SUMMARY

We expect to turn into a net asset position upon [REDACTED], taking into account that redemption liabilities will be re-designated from liabilities to equity as a result of the automatic conversion of the shares with preferential rights into ordinary shares upon [REDACTED].

Selected Items from the Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(82,589)	(86,452)	(80,452)
Net cash (used in)/from investing activities	(32,923)	29,024	(64,209)
Net cash from financing activities	69,434	47,334	247,585
Net (decrease)/increase in cash and cash equivalents	(46,078)	(10,094)	102,924
Cash and cash equivalents at beginning of the year	120,216	74,138	64,044
Cash and cash equivalents at end of year.	74,138	64,044	166,968

We recorded net cash used in operating activities of RMB82.6 million, RMB86.5 million and RMB80.5 million for the years ended December 31, 2023, 2024 and 2025, respectively. This net outflow was primarily attributable to our significant continuous investment in research and development to maintain our technological leadership and the procurement costs associated with our hardware-integrated solutions during our business expansion and our operational losses incurred during the Track Record Period. Our net operating cash outflow decreased from RMB86.5 million in 2024 to RMB80.5 million in 2025, primarily attributable to the increase in our sales, our enhanced receivable collection, and the shorter payment cycle of Trunk Pilot projects in 2025. To improve our net operating cash outflow position and ensure sustainable working capital, we have implemented and will continue to implement concrete measures, including strengthening accounts receivable management by accelerating the collection of existing receivables and strictly assessing customer creditworthiness to limit capital advancement in new projects. We are also optimizing accounts payable management by negotiating extended payment cycles with suppliers to better align with our customer collection schedules, and enhancing inventory management by aligning procurement and production plans strictly with demand to minimize inventory levels. Furthermore, we are focusing on high-quality revenue by prioritizing high-value business scenarios with strong potential for positive cash flow, while controlling operating expenses by strictly managing headcount growth and incremental R&D investments to maintain a prudent cost structure.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and intangible assets, (iii) prepaid lease payments and repayments of lease liabilities, and (iv) interest paid. Our historical cash burn rate was RMB7.6 million, RMB7.8 million and RMB8.0 million in 2023, 2024 and 2025, respectively. Assuming that the average cash burn rate going forward will be RMB16.1 million, 2.0 times of the cash burn rate level for the year ended December 31, 2025 based on the historical cash burn rate growth and future plans, although the cash burn rate is subject to changes due to various factors including but not limited to the business development, industry trend and customers’ requirements, we estimate that our cash and cash equivalents, financial assets at FVTPL, term deposits and unutilized bank facilities as of April 30, 2026 will be able to maintain our financial viability (i) for [22] months, or (ii) if we take into account [REDACTED] of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general purposes), for [REDACTED] months, or (iii) if we take into account [REDACTED] of the estimated [REDACTED] (based on the [REDACTED]) from the [REDACTED], for [REDACTED] months. See “Financial Information — Indebtedness.” We do not expect to have next round of financing before the [REDACTED].

SUMMARY

Key Financial Ratios

The following table sets forth our key financial ratios for the years/periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Revenue growth rate (%) ⁽¹⁾	19.4	89.5	35.6
Gross profit margin (%) ⁽²⁾	12.2	22.7	27.1
Adjusted net loss margin (Non-HKFRS Measure) (%) ⁽³⁾	(111.2)	(41.2)	(24.2)

Notes:

- (1) Revenue growth rate is calculated as the year-on-year growth rate of revenue.
- (2) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (3) Adjusted net loss margin (Non-HKFRS Measure) equals adjusted net loss (Non-HKFRS Measure) divided by revenue and multiplied by 100%.

APPLICATION FOR [REDACTED] OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]) on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules (as modified by the Joint Announcement of the SFC and the Stock Exchange in relation to Temporary Modifications to Requirements for Specialist Technology Companies and De-SPAC Transaction dated August 23, 2024) as a Commercial Company with reference to our expected market capitalization at the time of the [REDACTED], which, based on the mid-point of the indicative [REDACTED] range stated in this document, exceeds HK\$4 billion.

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately [REDACTED] (assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and no exercise of the [REDACTED]), representing [REDACTED] of the [REDACTED] (based on the mid-point of our indicative [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED], of which [REDACTED] was charged to the consolidated statements of profit or loss and [REDACTED] will be deducted from equity.

In addition, we expect to incur an additional [REDACTED] expenses of approximately [REDACTED], of which approximately [REDACTED] is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately [REDACTED] is expected to be recognized as a deduction in equity directly upon [REDACTED]. Our Directors do not expect such expenses to materially impact our results of operations in 2026. By nature, our [REDACTED] expenses are comprised of (i) [REDACTED] related expenses of approximately [REDACTED], and (ii) non-[REDACTED] related expenses of approximately [REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountant of approximately [REDACTED] and other fees and expenses of approximately [REDACTED].

FUTURE PLANS AND [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of [REDACTED] and [REDACTED]), we estimate that we will receive [REDACTED] of approximately [REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as following: (a) approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for continuous enhancement of our research and development capabilities; (b) approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for the mass production and supply chain system development of intelligent equipment and core components; (c) approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for market expansion and the development of the brand ecosystem of our products; (d) approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for strategic equity investments and acquisitions; (e) approximately [REDACTED] of the [REDACTED], or [REDACTED], will be employed as working capital and for general corporate purposes. See “Future Plans and [REDACTED]” for details.

DIVIDENDS

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered

SUMMARY

capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Hong Kong International Airport Intelligent Guided Vehicle Project

In early 2026, we were selected by a leading heavy equipment manufacturer to provide seven sets of Intelligent Guided Vehicle (“IGV”) autonomous navigation systems and a Fleet Management System (“FMS”) for Hong Kong International Airport as part of the airport’s automated terminal construction program. Under the contemplated arrangement, we will deliver an integrated autonomous navigation and fleet management solution, encompassing the deployment of our IGV systems and FMS, related infrastructure design, and integration with the partner’s terminal operating systems. Our solution leverages our proprietary autonomous driving technology platform to enable safe and reliable unmanned horizontal transportation of air cargo in complex, mixed-traffic environments. As of the Latest Practicable Date, we have signed the contract.

Continued Expansion of Jiangsu Smart City Project

In April 2026, we entered into an additional contract with a local government authority in Jiangsu Province for the provision of L4 autonomous driving public transportation services as part of a smart city project, with a contract value of approximately RMB6.3 million. Together with the contracts entered into in November 2025, the aggregate contract value of this project is approximately RMB20.3 million.

Expansion into Urban Smart Bus and Dynamic Bus Services

In April 2026, we entered into service contracts with a public transportation service platform operator in relation to Trunk City business, focusing on urban smart bus and dynamic bus (DRT) services, with an aggregate amount of approximately RMB20.0 million. Under such arrangements, we provide technical services relating to intelligent vehicle dispatch and artificial intelligence applications, including AI-enabled automated dispatch, minute-level capacity adjustment and intelligent optimization for complex operating scenarios.

Expected Net Loss in 2026

We expect to record net loss in 2026, primarily attributable to our sustained investment in research and development required to refine our autonomous driving technologies and maintain our competitive edge. Furthermore, despite recent margin improvements, our business scale has not yet reached critical mass to fully realize economies of scale, resulting in gross profit that remains insufficient to cover our expenses in 2026.

No Material Adverse Change

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

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are defined in the section headed “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company adopted on December 3, 2025 with effect upon [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China” or “PRC”	the People’s Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this document, excludes Hong Kong and the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Trunk Technology (Beijing) Co., Ltd. (主線科技(北京)股份有限公司), a company with limited liability incorporated in the PRC on March 16, 2017, which was converted into a joint stock company with limited liability on November 12, 2025
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and in this context, refers to Mr. Zhang Tianlei, Tianjin Zhuxian and Tianjin Zhugan, further details of which are set out in the section headed “Relationship with Our Controlling Shareholders” in this document
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Employee Shareholding Platform(s)”	Tianjin Zhuxian and Tianjin Zhugan, or any one of them as the context may require

[REDACTED]

“Extreme Conditions”	the occurrence of “extreme conditions” as announced by the Hong Kong Government in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concerns for a prolonged period. When “extreme conditions” are in force, the Hong Kong Government will review the situation and will announce whether to extend the “extreme conditions” prior to the expiry of the specified period

DEFINITIONS

[REDACTED]

“Frost & Sullivan” or “Industry Consultant”

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant

“Frost & Sullivan Report”

the industry report commissioned by our Company and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed “Industry Overview” in this document

[REDACTED]

“Group”, “our Group”, “our”, “we”, or “us”

the Company and all of its subsidiaries, or any one of them as the context may require

“Guangxi Intelligent Driving”

Guangxi Intelligent Driving Research Center Co., Ltd. (廣西智能駕駛研究中心有限公司), a limited liability company incorporated under the laws of the PRC on March 29, 2022, and a principal subsidiary of the Company

“Guide for New Listing Applicants”

the Guide for New Listing Applicants published by the Stock Exchange

“H Share(s)”

overseas [REDACTED] foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

“Hefei Trunk”

Hefei Trunk Technology Co., Ltd. (合肥主線科技有限公司), a limited liability company incorporated under the laws of the PRC on June 18, 2025, and a principal subsidiary of the Company

[REDACTED]

“HKFRS”

HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

DEFINITIONS

[REDACTED]

“Independent Third Party(ies)”

any person(s) or entity(ies) who/which is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

“Jiangsu Trunk”

Jiangsu Trunk Commercial Vehicle Technology Co., Ltd. (江蘇主線商用車科技有限公司), a limited liability company incorporated under the laws of the PRC on January 5, 2024, and a principal subsidiary of the Company

[REDACTED]

DEFINITIONS

“Latest Practicable Date” June 5, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

“Main Board” the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“MOF” Ministry of Finance of the PRC (中華人民共和國財政部)

“MOFCOM” Ministry of Commerce of the PRC (中華人民共和國商務部)

“Mr. Zhang Tianlei” Mr. Zhang Tianlei (張天雷), our founder, Controlling Shareholder, chairman of our Board, executive Director and chief executive officer

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“Nomination Committee” the nomination committee of our Board

[REDACTED]

DEFINITIONS

“Overall Coordinators” the overall coordinators as named in the section headed “Directors and Parties Involved in the [REDACTED]”

[REDACTED]

“Overseas Listing Trial Measures” the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023

“PBOC” the People’s Bank of China (中國人民銀行), the central bank of the PRC

“PRC Company Law” the Company Law of the People’s Republic of China (《中華人民共和國公司法》)

“PRC government” the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

“PRC Legal Advisor” Han Kun Law Offices, the legal advisor of our Company as to the PRC laws

“PRC Securities Law” the Securities Law of the People’s Republic of China (《中華人民共和國證券法》)

“[REDACTED] Investment(s)” the investment(s) in our Group undertaken by the [REDACTED] Investors pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the paragraph headed “History, Development and Corporate Structure — [REDACTED] Investments — Principal terms of the [REDACTED] Investments” in this document

“[REDACTED] Investor(s)” the investor(s) who acquired interest in our Group pursuant to the relevant equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the paragraph headed “History, Development and Corporate Structure — [REDACTED] Investments — Principal terms of the [REDACTED] Investments” in this document

DEFINITIONS

“[REDACTED] Share Incentive Scheme”	The [REDACTED] share incentive scheme of our Company, a summary of the principal terms of which is set forth in the paragraph headed “Statutory and General Information — D. [REDACTED] Share Incentive Scheme” in Appendix IV to this document
	[REDACTED]
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Trunk”	Shanghai Trunk Tech Co., Ltd. (上海主線科技有限公司), a limited liability company incorporated under the laws of the PRC on April 2, 2018, and a principal subsidiary of the Company
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB0.10 each, including both Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Sole Sponsor” and “Sponsor-Overall Coordinator”	the sole sponsor and the sponsor-overall coordinator as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this document
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Tianjin Trunk”	Tianjin Trunk Technology Co., Ltd. (天津主線科技有限公司), a limited liability company incorporated under the laws of the PRC on December 14, 2017, and a principal subsidiary of the Company
“Tianjin Zhugan”	Tianjin Zhugan Information Consulting Center (Limited Partnership) (天津主幹信息諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on April 10, 2020, and one of the Controlling Shareholders
“Tianjin Zhuxian”	Tianjin Zhuxian Information Consulting Center (Limited Partnership) (天津主線信息諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on April 28, 2017, and one of the Controlling Shareholders
“Track Record Period”	the three financial years ended December 31, 2023, 2024 and 2025
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Shares”	unlisted ordinary Share(s) issued by our Company, with a nominal value of RMB0.10 each, which is/are not listed or traded on any stock exchange
“Xuzhou Trunk”	Xuzhou Trunk Intelligent Technology Co., Ltd. (徐州主棧智能科技有限公司), a limited liability company incorporated under the laws of the PRC on March 27, 2025, and a principal subsidiary of the Company
“%”	per cent

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

Term	Explanation
“1+N” Mode	a hybrid platooning model consisting of “1 lead truck (with a safety driver) + N following trucks (autonomous)”. This mode aims to achieve high efficiency and safety by combining human decision-making with automated following capabilities.
“AI”	artificial intelligence; the simulation of human intelligence processes by computer systems, including learning, reasoning, and self-correction.
“ASIL-D”	the highest functional safety integrity level defined by the ISO 26262 standard for the automotive industry, representing the most stringent safety requirements. It is widely adopted in core systems of autonomous vehicles to ensure safe operation even in extreme fault scenarios.
“Autonomous Driving”	the technology that enables a vehicle to sense its environment and navigate with little or no human input.
“BVR” “beyond-visual-range”, or “beyond-line-of-sight”	in vehicle perception, refers to the ability of a vehicle to detect and respond to objects or hazards that are beyond the immediate line of sight using advanced sensing technologies such as radar, lidar and V2X communication.
“CAGR”	compound annual growth rate.
“closed-loop”	a system where the output is fed back into the system as input to improve future performance. In the context of autonomous driving, it refers to the cycle of data collection, model training, simulation, and real-world deployment that continuously optimizes algorithms.
“closed-road scenario”	an operational environment with controlled access and predetermined routes, such as ports, industrial zones, and logistics parks.
“cognitive reasoning”	an artificial intelligence approach that emphasizes deep environmental understanding and active reasoning to inform driving decisions, as opposed to purely reactive control.
“data closed-loop platform”	an integrated system that continuously cycles data through collection, processing, model training, and validation to iteratively improve the performance and robustness of autonomous driving algorithms.

GLOSSARY OF TECHNICAL TERMS

“domain controller”	A powerful centralized computing unit that manages a specific domain of vehicle functions (such as the autonomous driving domain), replacing multiple distributed electronic control units to handle high-speed data processing and complex algorithms.
“Drive-by-Wire Chassis”	A vehicle chassis design that replaces traditional mechanical links with electronic control systems to realize functions such as steering, braking, and acceleration operations.
“edge computing”	a distributed computing framework that brings computation and data storage closer to the sources of data (i.e., the vehicle). This minimizes latency and bandwidth use, allowing for real-time decision-making critical for autonomous driving.
“edge device”	hardware unit deployed at the network edge (such as our AiBox on vehicles or roadside infrastructure) that processes data locally in real-time to reduce latency and bandwidth usage, rather than sending all data to a central cloud.
“end-to-end”	A comprehensive operational or technological model that covers the entire process from the starting point (e.g., data input or cargo origin) to the final result (e.g., control execution or cargo destination) without relying on fragmented or external intermediaries.
“ETC fee”	electronic toll collection fee; automated road toll payments charged to vehicles for the use of highways, tunnels, and bridges.
“full-stack”	refers to the capability to develop all key aspects of the autonomous driving technology chain independently, including hardware design, software algorithms, operating systems, and cloud platforms.
“full-stack solutions”	A comprehensive technology architecture that integrates all critical layers required for autonomous driving, including hardware (sensors and computing platforms), system software, and core algorithms (perception, planning, and control), as well as cloud-based infrastructure.
“fully driverless”	Autonomous driving operations conducted without a human driver present in the driver’s seat or the vehicle, typically corresponding to Level 4 autonomous driving capabilities where the system handles all aspects of the dynamic driving task within a specific operational design domain.
“GPU”	graphic processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images.

GLOSSARY OF TECHNICAL TERMS

“GNSS/IMU Navigation System”	a high-precision positioning system that combines Global Navigation Satellite System (GNSS) and Inertial Measurement Unit (IMU) technologies. It compensates for GNSS signal loss or interference (e.g., in tunnels, under viaducts, or in dense urban canyons) using IMU data, maintaining centimeter-level or decimeter-level positioning accuracy for autonomous vehicles.
“heavily mixed-traffic port environments”	Complex operational zones within logistics hubs where vehicles must navigate alongside a high volume of manual traffic with non-standardized traffic flows. This includes the interaction between internal autonomous transport vehicles and external human-driven container trucks, as well as port machinery (such as cranes and forklifts) and personnel.
“ISO 9001”	an international standard for quality management systems, specifying requirements for products and services that meet customer and regulatory requirements, and to enhance customer satisfaction through effective process control and continual improvement.
“ISO 26262”	an international standard for functional safety of road vehicles, defining the requirements for automotive electronic and electrical systems to avoid unreasonable risk due to system hazards.
“L2” or “Level 2”	level 2 autonomous driving under the SAE (Society of Automotive Engineers) J3016 standard. It refers to “Partial Automation”, where the vehicle can control both steering and acceleration/deceleration simultaneously under certain conditions. However, the human driver must remain engaged at all times, monitor the driving environment, and be ready to take full control immediately when required.
“L4” or “Level 4”	level 4 autonomous driving under the SAE (Society of Automotive Engineers) J3016 standard. It refers to “High Automation” where the vehicle can perform all driving tasks and monitor the driving environment in specific circumstances (such as specific geographic areas or weather conditions) without human intervention.
“L5” or “Level 5”	level 5 autonomous driving under the SAE (Society of Automotive Engineers) J3016 standard. It refers to “Full Automation,” where the vehicle can perform all driving tasks and monitor the driving environment continuously under all roadway types, traffic scenarios, and environmental conditions in which a human driver could operate, without any human intervention. No human driver attention, supervision, or readiness to take over is required, and operation is not limited by specific geographic areas or conditions.

GLOSSARY OF TECHNICAL TERMS

“LiDAR”	a remote sensing device that emits laser signals to measure the distance, position, and shape of surrounding objects.
“LTL”	less-than-truckload, the transportation of goods that do not require a full truckload.
“Mixed Traffic”	A traffic environment where autonomous vehicles operate alongside human-driven vehicles, pedestrians, non-motorized vehicles, and other road users.
“Multi-Sensor Fusion”	a technology that comprehensively analyzes and fuses data from multiple types of sensors (lidar, cameras, millimeter-wave radar, GNSS/IMU). It compensates for the limitations of single sensors to improve the accuracy, reliability, and robustness of environmental perception.
“OEM”	original equipment manufacturer, typically refers to vehicle manufacturers that produce the final vehicle product.
“open-road scenario”	an operational environment on public roads, such as highways and urban streets, characterized by mixed traffic and uncontrolled interactions with human-driven vehicles, pedestrians, and other road users.
“OTA”	Over-the-Air; a technology that updates software, firmware, or configuration settings wirelessly. It enables the continuous improvement of the autonomous driving system’s performance and the remote deployment of new features to the fleet without physical recall.
“perception redundancy”	the use of multiple types of sensors (such as cameras, LiDARs, and radars) to cover the same field of view, ensuring accurate environmental detection even if one sensor type is compromised by weather or lighting conditions.
“Platooning”	a method of driving a group of vehicles together in a convoy, connected via wireless communication. This reduces air drag, saves fuel, and improves road capacity.
“Redundancy”	the inclusion of extra components (such as sensors, computing units, or braking actuators) that are not strictly necessary to functionality but serve as a backup in case of failure, ensuring the system’s reliability and safety.
“RSU”	roadside unit, a computing device installed along the roadside that communicates with vehicles (V2I) and the cloud, providing perception data and traffic information to support autonomous driving.

GLOSSARY OF TECHNICAL TERMS

“safety redundancy”	a specific design principle ensuring that critical vehicle control systems, such as braking and steering, have backup mechanisms to maintain safety and control if the primary systems malfunction.
“Simulation”	a virtual testing environment that recreates real-world driving scenarios. It allows the autonomous system to be tested against millions of corner cases and dangerous situations safely and efficiently without physical road testing.
“smart zero-carbon”	Logistics and transportation solutions that combine autonomous driving technology with new energy vehicles (such as battery electric or hydrogen fuel cell trucks) to optimize energy efficiency and minimize carbon emissions during operations.
“technological reusability”	The capability of core software algorithms and hardware modules to be effectively adapted and deployed across different vehicle models and operational scenarios (such as ports, highways, and urban roads) with minimal modification, thereby enhancing R&D efficiency.
“V2V”	vehicle-to-vehicle communication; a technology that allows vehicles to wirelessly exchange information (such as speed, location, and heading) with each other to prevent accidents and coordinate maneuvers.
“V2X”	a wireless communication technology that enables information interaction between vehicles and other entities (vehicles, roadside infrastructure, pedestrians, cloud platforms). It includes Vehicle-to-Vehicle (V2V), Vehicle-to-Infrastructure (V2I), and Vehicle-to-Cloud (V2C) communication, enhancing the environmental awareness and collaborative decision-making capabilities of autonomous driving systems.
“vehicle-agnostic”	refers to the capability of an autonomous driving system to be deployed across multiple vehicle types and models from different manufacturers without requiring fundamental redesign of the core software and hardware.
“vehicle-infrastructure-cloud” or “vehicle-edge-cloud”	a collaborative ecosystem that integrates autonomous vehicles, roadside infrastructure, and cloud-based platforms. It enables real-time data exchange and coordinated decision-making to enhance the safety and efficiency of autonomous driving.
“World Model”	an advanced AI architecture that enables the autonomous system to build an internal representation of the physical world, allowing it to simulate future scenarios and predict the outcomes of potential actions, moving beyond simple reactive behaviours.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement and obtain adequate capital resources to fund our business plans, strategies, objectives and goals;
- changes in our customers’ preferences, demands and business performance;
- our financial conditions and performance, including our ability to control costs and expenses;
- changes in the competitive landscape of our industries;
- changes to the political, regulatory, economic and business environment in the industry and geographical markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and geographical markets in which we operate;
- global financial markets and economic conditions;
- our dividend policy;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- all other risks and uncertainties described in “Risk Factors”.

In some cases, we use the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed “Business” and “Financial Information” in this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR RESEARCH AND DEVELOPMENT

Our significant R&D investments may not yield expected results, and failure to retain key R&D talent could impair our innovation capabilities.

The autonomous driving industry in China is characterized by intense competition and rapid technological evolution. To maintain our competitive edge, we must timely and efficiently develop solutions for core scenarios, including logistics hubs, road freight, and urban transportation and upgrade critical technologies. In particular, our technology roadmap centres on several advanced and inherently uncertain research directions, including our 1+N hybrid platooning system for road freight and our vehicle-edge-cloud collaborative architecture for urban transportation. Each of these represents a significant technical undertaking with no guarantee of successful commercialization. For example, our 1+N hybrid platooning system requires regulatory approvals for open-road operation that have not yet been obtained in most cities. If we fail to achieve the anticipated technical milestones, or if competing approaches prove more effective, our technology investments may not generate the expected returns, and we risk losing market share to competitors with broader capabilities or superior resources.

During the Track Record Period, our R&D expenses amounted to approximately RMB119.4 million, RMB115.2 million and RMB120.3 million for the years ended December 31, 2023, 2024 and 2025, representing approximately 89.0%, 45.3% and 34.9% of our revenue for the respective periods. We expect to continue to incur substantial R&D expenses as we advance our core technologies across all three business segments. However, R&D efforts are inherently uncertain and influenced by a variety of unpredictable factors. If the outcomes of our R&D efforts fail to meet expectations, whether in terms of quality or timeline, our substantial investments may not generate economic returns, which would be particularly impactful given our current net loss position and reliance on future revenue growth to achieve profitability. Even if we successfully develop new technologies, they may not gain market acceptance due to changing customer preferences, regulatory hurdles, or the emergence of superior competing solutions.

Furthermore, the success of our R&D programs relies heavily on our key R&D employees, who play a pivotal role in driving innovation, shaping our technological roadmap, and safeguarding our intellectual property. Their expertise in developing advanced autonomous driving algorithms, sensor fusion technologies, and safety-critical systems is essential for our competitive edge. Their departure could significantly disrupt our R&D activities, leading to delays in product development and missed market opportunities. Replacing this specialized expertise requires substantial time and resources. Additionally, if these employees join competitors, we face a heightened risk of knowledge leakage, which could enable rivals to develop similar or even advanced solutions more quickly. Ultimately, these risks could severely impact our capacity to conduct R&D effectively and undermine our ability to safeguard our valuable IP assets.

RISK FACTORS

RISKS RELATING TO THE COMMERCIALIZATION OF OUR SOLUTIONS AND SERVICES AND OUR INDUSTRY

Autonomous driving is an emerging and rapidly evolving technology and involves significant risks and uncertainties.

The autonomous driving industry faces substantial technical and commercial challenges. The commercial application of our autonomous driving solutions demands exceptional technology performance and system safety due to their complexity, and our technologies, solutions and services may not succeed commercially. We may face delays in releasing or deploying solutions that meet intended commercial use cases, leading to slower-than-expected commercialization. There is also no assurance that our technologies can predict every potential issue that may arise during the operation of our autonomous trucks deployed with our technologies. Specifically, our AiTrucker system must operate reliably within complex, mixed-traffic port environments, as well as on open highways subject to unpredictable traffic conditions and weather variations. There is no assurance that the operational experience we have accumulated to date will be sufficient to address the full spectrum of long-tail scenarios that could arise in broader commercial deployment. In particular, our expansion from controlled port environments to open-road highway operations introduces fundamentally distinct and elevated risk profiles, including interactions with diverse vehicle types, varying road conditions, and unpredictable human driver behavior. Achieving widely applicable autonomous driving technology requires further advancements which may take longer than anticipated. This could increase development costs, delay commercialization timelines, and reduce potential financial returns. Moreover, reliance on third-party suppliers for key components and services in the development and deployment of our autonomous driving solutions as well as our reliance on third-party OEMs for manufacturing of the autonomous trucks poses additional risks. Any disruption in the supply chain, quality issues with outsourced components, or failure of third parties to meet contractual obligations could cause delays, increase costs and negatively impact the performance and safety of our autonomous driving systems. If we are not able to overcome these challenges, our business, prospects, financial condition, and results of operations will be negatively impacted and our efforts to create a commercially viable business may not materialize at all.

We have a relatively short track record in the commercialization of our solutions and services.

We are at the early stages of commercialization, with our future success heavily dependent on our ability to develop, scale, and commercialize our solutions and services. Our capability to deliver and scale autonomous driving systems for large-scale vehicle operations remains unproven. We also lack the extensive real-world feedback and data that comes from long-term commercial operations for our scenario-specific solutions, which are crucial for refining algorithms, improving system reliability, and enhancing user experience. Our limited commercialization experience also means we may lack the necessary insights and strategies to effectively navigate the complex market dynamics. Compared to more established players in the industry, we have less experience in handling the regulatory, legal, and compliance requirements associated with commercial operations, especially those scenario-specific requirements. Additionally, our inexperience in liability management under different commercial scenarios may expose us to higher legal risks, as we may not be well-equipped to allocate responsibilities among passengers, partners, and third parties, potentially resulting in costly disputes. Overall, our short track record in commercialization poses significant uncertainties, and if we are unable to address the challenges that come with it, our business, results of operations, financial condition and prospects will be materially and adversely affected.

If the market demand for our solutions and services does not increase at the pace we expect or at all, our business, prospects, results of operations, and financial condition could be materially affected.

The demand for autonomous driving technology is largely influenced by the general economic, political, and social conditions and varies across our key application scenarios. Market opportunities present distinct and evolving demand dynamics, making it difficult to predict adoption rates or growth paths for our scenario-specific solutions. For example, port operators typically prioritize cost efficiency and operational continuity, making them highly sensitive to pricing and maintenance costs of autonomous systems; expressway logistics customers may focus on fuel savings, long-haul reliability and timeliness, while clients for urban transportation place paramount importance on safety protocols, pedestrian interaction capabilities, and regulatory compliance. The future growth of the market remains highly uncertain and contingent on technology readiness, cost curves, and infrastructure roll-out. In addition, regulatory, safety, and reliability issues, whether

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actual or merely perceived, may erode public confidence in autonomous driving solutions. For instance, there have been several high-profile crashes involving vehicles with intelligent or autonomous driving features resulting in fatalities and injuries. These incidents have generated negative publicity and could potentially lead to suspensions or bans on autonomous vehicles. If the market demand for our solutions and services does not increase at the pace we expect or at all, our business, prospects, results of operations, and financial condition could be materially and adversely affected.

The unit economics of certain of our business have not been tested at scale.

Our business model relies on achieving favorable unit economics across our three business segments, but the economics of each segment are at different stages of validation and face distinct uncertainties. Our Trunk Port segment has a relatively more established unit economics profile. However, our gross profit margin in this segment is influenced by the product mix of the solutions we provide to customers, and there can be no assurance that we will be able to maintain or improve our current margin levels as we scale operations and face pricing pressure from competitors. The unit economics of our Trunk Pilot segment are subject to uncertainty. Our business model for this segment anticipates cost savings from reducing human driver labor costs and maximizing vehicle utilization through extended operation hours. However, these assumptions remain substantially untested at scale. The unit economics of our Trunk City segment are also untested. The cost structure of urban autonomous driving projects differs materially from our other segments. There can be no assurance that we will be able to achieve commercially viable unit economics in this segment. If the unit economics across our business segments do not materialize as expected, our ability to achieve profitability on the timeline we anticipate, or at all, would be materially and adversely affected.

The validation process and promotion of our autonomous driving technologies and products could be time-consuming and there are uncertainties relating to the result.

Our autonomous driving solutions are technologically complex and designed for applications in settings with high safety standards. Depending on the complexity of the autonomous driving solutions, the implementation and validation processes of the solutions may be lengthy and unpredictable, with risks further amplified by potential supply chain shortages or technical challenges leading to unsuccessful solution implementation. As such, we typically need to invest significant resources before generating any revenues. This increases the challenges to manage our business operations and forecast our results of operations. In addition to the large upfront investment required prior to commercialization, our partners may cancel or postpone the contracts for implementation of our solutions and services due to an internal strategy shift or other reasons beyond our control, which may adversely affect our business and financial performance.

We operate in a highly competitive industry.

We operate in a highly competitive industry. According to Frost & Sullivan, as of 2025 the commercial vehicle sector includes approximately 30 to 40 players, with a significant portion covering multiple application scenarios and vehicle types. As technology matures, we anticipate an influx of new entrants and aggressive expansion by leading companies, which will further intensify market competition. The competitive landscape differs significantly across our three business segments:

- **Trunk Port:** In the autonomous driving market for logistics hubs, we compete with both specialised autonomous driving solution providers and traditional automated guided vehicle (AGV) and intelligent guided vehicle (IGV) manufacturers who are upgrading their offerings with autonomous driving capabilities. Our competitive position depends on our ability to demonstrate superior operational efficiency and safety in heavily mixed-traffic port environments, where our solutions must operate alongside human-driven container trucks, cranes, and other port machinery. While we have established an operational track record at several ports in China, our competitors may have longer-standing relationships with port operators and more extensive deployment experience.

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- **Trunk Pilot:** In the autonomous driving market for road freight, we compete with other autonomous trucking companies, traditional logistics operators exploring autonomous solutions, and OEMs developing integrated autonomous trucking platforms. Many of these competitors have significantly greater financial, manufacturing, and marketing resources than we do. For example, certain OEMs can leverage their existing vehicle manufacturing capabilities and dealer networks to offer integrated autonomous trucking solutions, whereas we rely on third-party OEMs for the production of our AiTrucks.
- **Trunk City:** In the autonomous driving market for urban transportation, we face competition from well-funded autonomous driving companies focused on robotaxi and urban delivery applications, as well as technology giants with substantial AI and autonomous driving research capabilities. This segment is at the earliest stage of commercialization among our three business segments, and the competitive outcome in this segment remains highly uncertain.

Our competitive position is further affected by our customer concentration. Revenue generated from our largest customer in each year for the years ended December 31, 2023, 2024 and 2025 accounted for 20.0%, 30.2% and 14.4%, respectively, of our revenue during the corresponding periods. If any of our major customers were to switch to a competing solution, our business and financial performance would be adversely affected.

The regulatory framework governing autonomous driving in the PRC is evolving and fragmented, and changes in regulations or delays in obtaining necessary approvals could materially affect our business.

Our operations are subject to a complex and evolving regulatory framework governing autonomous driving vehicles in the PRC. The MIIT, the Ministry of Public Security of the People’s Republic of China and the Ministry of Transport jointly issued the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) on July 27, 2021, pursuant to which the subject under road testing, the vehicle under road testing and the driver under road testing must satisfy relevant requirements, and relevant competent departments of provincial and municipal governments may formulate implementing rules and organize the specific road tests. See “Regulatory Overview — Laws and Regulations and Policies Relating to the Autonomous Driving and Intelligent Connected Vehicle Industry — Regulations Relating to the Road Testing of Intelligent Connected Vehicles”. As of the Latest Practicable Date, our existing project operations had not experienced any material compliance-related disruption; however, the regulatory environment for autonomous driving in the PRC remains subject to ongoing evolution, interpretation and local implementation.

The regulatory requirements applicable to autonomous driving activities may vary across different regions, cities and application scenarios, and local authorities have discretion in implementing and interpreting applicable rules. During the Track Record Period, we obtained the first road test license for intelligent connected commercial vehicles in the PRC and received notices for platooning driving tests on open public highways. However, these authorizations are location-specific, subject to periodic renewal, and do not constitute nationwide approvals for commercial deployment. As a result, our ability to expand our Trunk Pilot and Trunk City businesses may depend on obtaining additional approvals or permits in the relevant jurisdictions, which can be time-consuming and unpredictable.

If applicable laws, regulations or implementation standards become more restrictive, or if we are unable to satisfy differing local requirements in a timely manner, our ability to launch, expand or scale projects in relevant regions may be delayed, limited or materially adversely affected. Additionally, our international expansion plans are subject to the autonomous driving regulatory frameworks of foreign jurisdictions, which vary significantly and are also evolving. Compliance with differing regulatory requirements across multiple jurisdictions may increase our operational costs and impede the scalability of our solutions.

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Failure to make correct strategic choices or implement effective marketing could adversely affect our business.

Our strategic approach of expanding from closed-road environments (Trunk Port) to open-road scenarios (Trunk Pilot and Trunk City) involves significant execution risk. Each expansion phase requires adapting our technology to fundamentally different operating environments. If demand for open-road autonomous driving solutions develops more slowly than we anticipate, or if competing technology approaches prove more commercially viable, our strategic allocation of resources could be rendered inefficient. Consequently, our capital investments in these segments may fail to yield anticipated returns, which could materially and adversely affect our business prospects, financial condition, and results of operations. Furthermore, even if our strategies are sound, we may not be able to successfully implement our marketing strategies on a timely basis. We have invested and anticipate to continue investing in sales and marketing activities to promote our brand and deepen relationships with clients. However, these activities may not be well received or attract new ones as anticipated. The evolving marketing landscape may require us to experiment with new methods, and failure to refine our existing approaches in a cost-effective manner could reduce our market share. We also rely on a number of business partners and our own business development team to attract new clients, and any disruption of our relationship with these partners could harm our abilities to promote business. Therefore, there is no assurance that we will be able to recover the costs of these sales and marketing activities or that they will be effective.

Unauthorized manipulation of systems in autonomous trucks may cause them to operate improperly or not at all, or compromise their safety and data security.

Our solutions and services rely on our complex information technology systems. Malicious entities may attempt to gain unauthorized access to modify, alter and use such networks, vehicles and systems to gain control of, or to change, our autonomous trucks’ functionality, user interface and performance characteristics or to gain access to data stored in or generated by our autonomous trucks. Any unauthorized access to or manipulation of our autonomous trucks or their systems or any loss of data could result in legal claims or government investigations. In addition, regardless of their veracity, reports of unauthorized access to our autonomous trucks, their systems or data, as well as other factors that may result in the perception that our solutions and services, their systems or data are capable of being hacked, may harm our brand, prospects and results of operations.

Software and hardware used in autonomous driving technologies could have serious defects or errors that we were not able to detect at this stage.

Our autonomous driving technology is highly technical and complex, involving intricate software and hardware systems. Such complexity means defects, errors, or bugs may arise at various development stages, some of which may remain undetected, especially when introducing new systems or updated versions. These undetected issues could only surface after testing, commercialization, or deployment, potentially causing malfunctions in our autonomous trucks, which could result in serious property damages or personal injury. We may incur significant additional development costs and product recall, repair or replacement costs, or more importantly, liability for personal injury or property damage caused by such errors or defects, as these problems would also likely result in claims against us. The occurrence of any of the above will cost us significant expense and diversion of management attention and other resources. Our reputation or brand may be damaged because of these problems and end customers may be reluctant to use our autonomous trucks and services, which could adversely affect our ability to retain existing customers and attract new customers and could materially and adversely affect our financial results.

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Adverse publicity involving the autonomous driving industry, our brand, or our management could materially harm our business and reputation.

The autonomous driving industry is highly sensitive to public perception. Even unrelated incidents or negative news about other companies’ technologies can significantly impact public confidence in the entire sector. This can lead to a decrease in demand for our solutions, resulting in lower revenues. Moreover, negative industry-wide publicity can attract increased regulatory scrutiny, potentially leading to more stringent regulations or delays in approval processes, which would require additional resources and costs to address.

Beyond industry-wide perception, maintaining our specific brand is critical to our success. Negative publicity, whether true or false, regarding our technologies, products, directors, senior management, or employees can severely harm our reputation. Such publicity may stem from malicious harassment or unfair competitive practices by third parties, which are beyond our control. Even unfounded claims can erode customer trust and disrupt business operations. We may need to invest considerable resources in public relations efforts to mitigate these impacts, but there is no guarantee these efforts will be effective. Failure to manage these reputational risks could result in long-term damage, making it harder to compete and materially adversely affecting our business, prospects, and financial condition.

We may be compelled to undertake product recalls or may face product liability claims.

Our autonomous driving technologies, solutions and services carry inherent risks of injury, including fatalities, which could lead to product liability claims if involved in accidents. We may be subject to claims if our technologies and solutions involved in accidents, collisions and injuries during operation, and we could incur significant costs to correct such issues. Errors or defects in our solutions and services may result in legal claims for damages, costly litigation and reputational harm, all of which would divert resources and negatively affect operations, financial condition, and prospects. We may also be compelled to undertake product recalls, either voluntarily or due to regulatory requirements, if our products are found defective or non-compliant with safety standards. Recalls involve significant expenses, consume management attention, and damage brand image, further impacting customer trust and demand for our solutions and services. Additionally, our business partners affected by accidents involving our technology could file claims against us, adding to legal and financial risks.

Any failure to offer high-quality maintenance and support services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our customer base, we need to be able to continue to provide efficient customer support and maintenance services that meet our customer demand at scale. However, we may not be able to recruit or retain sufficient qualified support personnel with experience in supporting customers of our solutions and services. As a result, we may be unable to timely respond to accommodate short-term increases in customer demand for technical support or maintenance assistance. Additionally, we may fail to adapt our service offerings to compete with evolving industry standards or competitor services, further compromising customer satisfaction. Our ability to attract new customers is highly dependent on our business reputation and positive recommendations from our existing customers. Any failure to maintain high-quality maintenance and support services, or any market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

Misuse of autonomous driving technologies by our customers or other third parties could result in material damages to our reputation.

Autonomous driving technologies are at early stages of development and continue to evolve. Similar to many innovations, autonomous driving technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach

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public confidence or violate applicable laws and regulations. Any inappropriate or abusive usage of autonomous driving technologies, whether actual or perceived, intended or inadvertent by our customers or other third parties, may cause property damage or even personal injury, impair the general acceptance of our solutions and services, attract negative publicity and adversely impact our reputation, and may subject us to heightened scrutiny by the regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

We depend on a limited number of customers for a substantial portion of our revenue.

We derive a substantial portion of revenue from a limited number of customers during each year. Revenue generated from our largest customer in each year for the years ended December 31, 2023, 2024 and 2025 accounted for 20.0%, 30.2% and 14.4%, respectively, of our revenue during the corresponding periods. Revenue generated from our five largest customers in each year for the years ended December 31, 2023, 2024 and 2025 accounted for 64.6%, 67.9% and 48.6%, respectively, of our revenue during those years. Customer concentration is an inherent characteristic of our project-based, build-to-order business model, where individual contracts can represent a significant portion of our annual revenue. For example, our five largest projects by revenue contribution in 2025 collectively accounted for approximately 45% of our total revenue for that year, with individual project contract sums ranging from approximately RMB29.4 million to RMB41.0 million. Given the high contract value of our solutions and the relatively small absolute number of projects completed in any given year, the completion timing, postponement or cancellation of any single major project can materially affect our reported revenue and financial performance for the relevant period. Furthermore, our major customers include state-owned enterprises whose procurement decisions are subject to government budgetary cycles and internal approval processes, which are beyond our control and may cause delays in project commencement or acceptance. Our business, results of operations and financial condition for the foreseeable future may continue to depend on sales to a relatively small number of customers during the given year. Further, the amount of revenue attributable to any single major customer, or our major customer concentration generally, may fluctuate in any given period, which may affect our business, financial condition and results of operations.

RISKS RELATING TO OUR OPERATIONS IN GENERAL

We are exposed to the risks associated with international trade policies, geopolitics and trade protection measures.

International Trade Policies

Our operations are subject to risks associated with international trade regulations and geopolitical developments. Deterioration in the political and economic relations among countries and changes in international trade policies, including tariffs, export controls, investment restrictions or sanctions, may result in increased costs, delays in procurement of components, or disruptions to cross-border technical collaboration. Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to broader and substantially high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. Furthermore, if we export our products to other countries which are subject to sanctions or export controls in the future and/or if the scope of the export controls or sanctions are expanded, our business, financial condition and results of operations may be materially and adversely affected.

Outbound Investment Rules

On October 28, 2024, the U.S. Department of the Treasury released new regulations (the “**Final Rule**”) prohibiting or requiring notification of U.S. outbound investments in certain Chinese-affiliated companies operating in the semiconductor and microelectronics, quantum information technology, and artificial intelligence sectors (“**covered foreign persons**”). The

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Final Rule took effect on January 2, 2025. Specifically, depending on the covered foreign person’s specific activities, U.S. persons are either prohibited from making certain types of investments in the covered foreign person, or must notify covered investments to the U.S. Department of the Treasury.

We are engaged in the development of autonomous driving system which is an AI-enabled closed-loop system that integrates perception, cognition and decision-making, and finally outputs control commands to the vehicle chassis. Such AI systems may be considered as being partly used for the control of robotics systems for the purposes of the Final Rule. Our International Sanctions Legal Advisors have advised that we are considered a “covered foreign person” by reason of our incorporation in the PRC, a designated country of concern, and our development of AI systems intended to be used in connection with the control of robotics systems. While covered foreign person status does not impose general operating restrictions on us, nor does it prohibit the Group from raising capital from U.S. person, given that our business activities do not fall within the scope of prohibited transactions under the Final Rule, our International Sanctions Legal Advisors have advised that our activities related to the development of AI systems fall within the scope of notifiable transactions under the Final Rule. As a result, U.S. persons would be required to notify the U.S. Department of Treasury of their participation in the [REDACTED] absent an applicable exception. Notwithstanding the foregoing, under the publicly traded securities exception under 31 CFR 850.501, U.S. persons are permitted to purchase our [REDACTED] shares without such notification obligations, provided that such transactions do not afford the U.S. person rights beyond “standard minority shareholder protections” under the Final Rule.

However, the relevant laws, regulations, and policies continue to evolve, and potential amendments to the Final Rule may further restrict the investment by U.S. persons. For example, on February 21, 2025, President Donald Trump issued a National Security Presidential Memorandum titled America First Investment Policy (the “**Memorandum**”). The Memorandum, among other things, directs the U.S. Secretary of the Treasury to consider expanding restrictions on outbound investment to China into new sectors, as well as expanding coverage of the restrictions over more types of transactions, to potentially includes publicly traded securities. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

Export Control Regulations

Furthermore, U.S. export control regulations impose restrictions on the supply of advanced computing semiconductor chips and software to China. See “Regulatory Overview — U.S. Export Control” for details. Since October 7, 2022, the Bureau of Industry and Security (“**BIS**”) of the U.S. Department of Commerce published several rounds of rules that introduce restrictions related to semiconductors, semiconductor manufacturing, supercomputers, and advanced computing items and end uses in mainland China, Hong Kong or Macau (the “**U.S. Chip Export Restrictions**”). During the Track Record Period and up to the Latest Practicable Date, (i) we did not procure any advanced computing semiconductor chip products that are subject to the U.S. Chip Export Restrictions or any chips that export licence from the BIS would have been required, and (ii) we did not sell any products subject to the U.S. Export Administration Regulations (“**EAR**”) to any customers for which an export licence from the BIS would have been required.

Exports, re-exports and transfers of our products must be made in compliance with various economic sanctions and export controls laws in different jurisdictions. In terms of economic sanctions, the most significant controls are those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), which prohibit the provision of products to certain countries or regions, governments, entities and persons targeted by U.S. sanctions. Regarding U.S. export controls, in October 2022, the BIS issued an interim final rule (the “**BIS October 2022 IFR**”) to limit China’s access to advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing. In October 2023, the BIS released another interim final rule (the “**BIS October 2023 IFR**”) that updated and expanded the restrictions from the BIS October 2022 IFR (together with the BIS’s April 2024 interim final rule, the “**BIS 2022/23 IFRs**”). Among other measures, the BIS 2022/23 IFRs added certain advanced and high-performance computing integrated circuits and

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related computer commodities to the Commerce Control List, imposing new or expanded license requirements for items subject to the U.S. Export Administration Regulations ("EAR") intended for use in developing or producing supercomputers, advanced node integrated circuits, and advanced semiconductor manufacturing equipment in certain jurisdictions, including China.

As the Entity List and other U.S. export control laws and regulations continue to expand and evolve, they may target some of our significant suppliers, customers, or the raw material and key components necessary for our operations. These sanctions and export controls could adversely affect us and/or our supply chain, business partners, or customers, and our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions.

The experience and expertise of our senior management team and engineers and other key employees are critical to our operations and future growth, and failure to retain them or failure to attract and recruit talents could have a material adverse impact on our business, results of operations, and prospects.

Our success depends largely upon the continued services of our key executive officers and certain key employees. We rely on them for research and development, business strategy, and other critical functions. We do not maintain key-man insurance for any member of our senior management team or any other employee, and they could terminate their employment at any time. The loss of one or more of them could have a serious adverse effect on our business. To execute our growth plan, we must attract and retain highly qualified personnel, especially for engineers experienced in artificial intelligence and designing and developing autonomous driving related algorithms. Many of our competitors have greater resources than we have and can offer more attractive compensation packages for new employees. Furthermore, recruiting personnel from other companies exposes us to potential legal disputes regarding breaches of obligations to former employers. Additionally, the perceived value of our share incentive awards influences retention. A decline in the value of these awards may weaken our ability to attract and retain skilled employees. If we fail to maintain our talent pool, our ability to commercialize and expand our could be adversely affected.

Failure to detect or prevent fraudulent or illegal activities or other misconducts by our employees, supplier, manufacturer or other business partners may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees that could subject us to liabilities, fines and other penalties imposed by government authorities and negative publicity. Any illegal, fraudulent, corrupt or collusive activity by our employees could subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities and could severely damage our brand and reputation, and could materially and adversely affect our business, results of operations, financial condition and prospects. We may also incur liabilities or suffer losses due to illegal actions conducted by or non-compliance of our supplier, manufacturer or other business partners. We may not be able to identify irregularities or non-compliance by any such third parties that we conduct business with or the infringement by such third parties of other's legal rights. For example, we may unknowingly rely on defective data from our business partners that misrepresents ownership or licensing rights. We may fail to identify such infringements by our business partners, which could expose us to legal claims, damages, injunctions, or reputational harm. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal,

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auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. If our business is disrupted as a result of judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees, it may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

We may fail to maintain or execute and expand on our existing partnerships.

Strategic partnerships are vital to our growth, particularly for manufacturing of our AiTruck and contract manufacturers for the production of certain components including autonomous driving domain controllers and sensors. We also outsource mapping and surveying activities to qualified suppliers in China for data supporting our autonomous driving algorithms. However, such collaborations carry inherent risks including budget disputes, intellectual property conflicts, and operational interruptions. If our existing partner agreements were to be terminated, we may be unable to timely enter into new agreements on terms and conditions acceptable to us or at all. The expense and time required to complete any transition, and to ensure that vehicles provided by the new third-party partners comply with our quality standards and regulatory requirements, may be greater than anticipated. Any of the foregoing could adversely affect our business, results of operations, and financial condition.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.

We maintain insurance policies pursuant to PRC regulations and based on our assessment of our operational needs and industry practice. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain key man life insurance, insurance policies covering damages to our autonomous driving solutions or vehicles or any insurance policies for our properties. While our directors are of the view that the amount of our insurance coverage is in line with the customary standard in the industry and is adequate for our operations, it may not be adequate to fully compensate for all kinds of losses we may suffer in the future. For example, insurance covering losses from acts of war, terrorism, or natural disasters is either unavailable or cost prohibitive. Along with the commercialization of our technology, we may be required to obtain specialized insurance, which may not be available to the capacity or on the terms that we require to achieve the economics we expect. Further, any insurance that we carry may not be sufficient or it may not apply to all situations. In addition, our insurers will review our policies every year and we cannot guarantee that our policies can be renewed on similar or other acceptable terms or at all. Furthermore, if we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, results of operations, financial condition and prospects.

Our international expansion is at an early stage, and there is no assurance that we will be able to successfully develop our overseas business or that our overseas revenue will grow as expected.

We did not generate revenue from overseas markets during the Track Record Period. Although we have secured a contract for AiBox systems at a Singapore port and are exploring opportunities in markets such as Dubai, Malaysia, Hong Kong, and Brazil, our international expansion remains at an early stage. Successfully scaling our overseas operations involves significant risks, primarily including: (i) our limited local operational and after-sales experience; (ii) complex and varied regulatory requirements for autonomous driving; (iii) intense competition from established regional players; (iv) higher costs associated with logistics and product localization; and (v) broader macroeconomic factors, such as foreign exchange fluctuations and geopolitical uncertainties.

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Furthermore, many of our current discussions have not yet translated into binding contracts. Even for secured contracts, deployment and revenue recognition timelines are subject to external factors beyond our control. See “Business — Business Sustainability — International Expansion.”

We may be required to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.

Companies registered and operating in the PRC are required to make social insurance and housing provident fund contributions for their employees in accordance with applicable PRC laws and regulations. See “Regulatory Overview — Laws and Regulations Relating to Labor Protection, Social Insurance and Housing Provident Fund”. During the Track Record Period, (i) one of our subsidiaries engaged third-party agencies to make social insurance and housing provident fund contributions on behalf of certain employees from September 2021 to February 2024, instead of making such contributions on its own, which was not in strict compliance with applicable PRC laws and regulations; and (ii) we did not pay social insurance and/or housing provident fund for two of our employees during the Track Record Period.

If the relevant competent government authorities are of the view that the third-party agency arrangements do not satisfy the requirements under the relevant PRC laws and regulations or that we have underpaid social insurance and housing provident fund for our employees, we may be required to pay the shortfall of our contributions, late payment fees and fines. In aggregate, the maximum potential exposure for social insurance and housing provident fund non-compliances (including shortfall contributions of up to RMB2,400,000, together with late payment fees and fines) amounts to approximately RMB11,000,000 as of April 30, 2026. See “Business — Legal Proceedings and Compliance — Social insurance and housing provident funds” for further details. In addition, the interpretation or application of the relevant PRC laws and regulations may change in a manner that increases our exposure to penalties or claims in respect of social insurance and housing provident fund contributions. If we are required to pay shortfall contributions, late payment fees or fines in relation to underpaid employee benefits, our financial condition and results of operations may be adversely affected.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Our business is particularly sensitive to macroeconomic conditions affecting the logistics and transportation sectors in China, which is our principal market. Substantially all of our revenue during the Track Record Period was derived from the Chinese Mainland. Consequently, any slowdown in China’s manufacturing output, trade volumes or infrastructure investment could reduce demand for our autonomous trucking solutions across ports and logistics corridors. Furthermore, our major customers include state-owned enterprises and government platform companies whose procurement budgets are influenced by government fiscal policy. Any tightening of government spending or delays in budget approvals could slow the adoption of our autonomous driving solutions, particularly for large-scale Trunk City projects that involve municipal authorities. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought or the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or pandemic, and force majeure events including acts of war or terrorism may disrupt our R&D and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects.

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Failure to comply with anti-corruption laws and regulations by our employees, affiliates and business partners such as suppliers, could severely damage our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks in relation to actions taken by our employees, affiliates or business partners that constitute violations of the anti-bribery or anti-corruption laws and regulations which are out of our control. If our employees, affiliates, suppliers, or other business partners violate anti-bribery or anti-corruption laws, rules or regulations, we could be contemporaneously subject to fines and/or other penalties. Actions by relevant regulatory authorities or the courts to provide an interpretation of laws and regulations that differs from our understanding or to adopt additional anti-bribery or anti-corruption related regulations could also require us to make changes to our operations. Our reputation, corporate image, and business operations may be materially and adversely affected if we become the target of any negative publicity as a result of actions taken by our employees, affiliates or suppliers, which may in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on sole or limited sources of supply for key components, and any supply shortage, interruption, or geopolitical restrictions could materially and adversely affect our business, financial condition, and prospects.

We currently source certain key components, such as chips and LiDAR, from sole or limited sources of supply. During the Track Record Period, we sourced these from a limited number of suppliers. In the event of a supply shortage, supply interruption, or material pricing change in relation to these key components or raw materials, we may not be able to develop alternate sources in a timely manner or at all. Developing alternate sources of supply can be time-consuming, difficult, and costly. Failure to source these components on acceptable terms may undermine our ability to meet our customers’ demand in a timely manner, adversely affect our relationships with customers, and delay the expansion of our operations. Furthermore, even where we are able to pass increased component costs along to our customers, there may be a lapse of time before we are able to do so such that we must absorb the increased cost initially.

Our procurement of chips is particularly vulnerable to geopolitical risks, including sanctions and export controls administered by the U.S. and other authorities. See “— We are exposed to the risks associated with international trade policies, geopolitics and trade protection measures.” Any future shortage in chip supplies or geopolitical restrictions may lead to price increases or total unavailability. If we fail to secure sufficient chip supplies or other key components on commercially acceptable terms, our technology development plans and commercialization strategies may not be executed as expected, which could materially and adversely affect our results of operations, financial condition, and prospects.

We rely on third-party OEMs and contract manufacturers for the production of our autonomous trucks and certain hardware components.

We do not manufacture vehicles ourselves. Our AiTrucks are produced through strategic partnerships with third-party commercial vehicle OEMs. While this asset-light business model facilitates scalable production without necessitating substantial capital expenditures in manufacturing infrastructure, it inherently creates a structural reliance on our OEM partners. Vehicle procurement costs constitute the largest single component of our raw material expenses, accounting for 40.0%, 71.4%, and 72.3% of our total raw material costs for the years ended December 31, 2023, 2024, and 2025, respectively. Because raw materials represented 73.8%, 71.3%, and 83.4% of our total cost of sales during these same periods, any adverse fluctuations in vehicle pricing by our OEM partners could materially and adversely affect our gross margins and overall financial condition. Furthermore, our dependence on third-party OEMs subjects us to their manufacturing schedules, quality assurance protocols, and production capacity limitations. Any deterioration or disruption in our OEM relationships, shifts in their strategic priorities, supply chain constraints, or decisions by these partners to develop competing proprietary autonomous driving

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solutions could severely impair our ability to fulfill customer orders and deliver our AiTrucks in a timely manner. We also outsource the production of specific autonomous driving-related hardware modules to contract manufacturers based on our design specifications. See “Business — Manufacturing”. Any failure by these manufacturers to meet our requirements or maintain adequate quality control may require us to identify alternative manufacturers, which could result in additional costs. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material production delays from automotive OEMs or contract manufacturers that had a material adverse effect on our business, results of operations or financial condition.

We rely on the cloud services provided by third-party providers, and therefore our business operations are exposed to the security risks and operational risks inherently posed by such services and the service providers.

Our autonomous driving solutions depend on third-party cloud platforms to support critical functions. Our access to their services may be disrupted by system failures, cyber-attacks, natural disasters, or capacity constraints. If these providers experience service interruptions or discontinue their services to us, we may be unable to effectively manage our autonomous fleets, process critical driving data, or deploy necessary software updates. Migrating to alternative cloud providers would be time-consuming, costly, and operationally challenging, potentially resulting in extended service downtime. Furthermore, despite our security protocols, the third-party environments we use may be vulnerable to data breaches, unauthorized access, or malware. Any security incident originating from our cloud providers could compromise our proprietary technology or sensitive user data. Under applicable data protection laws, we may be held liable for such breaches even if they originate from third-party vendors. Such incidents could result in legal liabilities, regulatory penalties, reputational damage, and a loss of customer trust, which would have a material adverse effect on our results of operations and financial condition.

We may face shortages in computational resources or transmission bandwidth, which could limit our ability to train our AI models or ensure the reliable operation of our autonomous trucks.

The training and iteration of our models require massive amounts of computational power and storage capacity. We compete for these resources, such as GPUs and data center rack space, with other technology companies. We cannot assure you that we will be able to secure sufficient computational resources at commercially reasonable terms, or at all. Unexpected increases in pricing or global supply chain shortages of AI computing hardware could constrain our R&D progress and operational scaling. Our technologies and solutions, such as our “1+N” hybrid platoon mode operations, depends on reliable, high-bandwidth, and low-latency telecommunications networks provided by third-party carriers. Autonomous driving applications require continuous, real-time data transmission. If network providers fail to offer adequate bandwidth or if the network quality degrades due to congestion, technical failures, or government regulations, our autonomous trucks may be forced to suspend autonomous operations for safety reasons. The market for high-quality data center hosting and telecommunications services is concentrated among a few major providers. If these providers are unwilling to sell us adequate capacity at fair market prices, or if they impose traffic limits, our ability to serve customers could be disrupted. Failure to secure the required infrastructure capacity could lead to service degradation, customer loss, and a material adverse effect on our business and prospects.

Legal defects regarding some of our leased properties may adversely affect our business, financial condition and results of operations.

Under PRC law, lease agreements are required to be registered with the relevant local authorities. See “Regulatory Overview — Laws and Regulations Relating to Leasing”. As of the Latest Practicable Date, we had not completed lease registration for five leased properties in the PRC, primarily because the lessors did not cooperate in completing the relevant procedures. If we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the

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relevant authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each unregistered lease, resulting in a maximum potential fine of up to RMB50,000. In the event that any fine is imposed on us, we may not be able to recover such losses from the lessors.

We may not effectively pursue or consummate strategic alliances, investments or acquisitions, which could disrupt our operations and materially and adversely affect our business, results of operations or financial condition.

We may from time to time engage in evaluations of, and discussions with, possible domestic and international acquisitions, investments or alliance candidates. We cannot guarantee that we may be able to identify suitable strategic alliances, investment or acquisition opportunities. Even when we identify an appropriate acquisition or investment target, we may not be able to negotiate the terms of the acquisition or investment successfully, obtain financing for the proposed transaction, or integrate the relevant businesses into our existing business and operations. In addition, after the completion of an acquisition or formation of a joint venture, the subsequent business integration and development require significant time and attention from our management to achieve synergies effect and could result in a diversion of resources from our existing business. Furthermore, as we have limited control over the companies in which we only have a minority stake, we cannot ensure that these companies will always comply with applicable laws and regulations in their business operations. Non-compliance with regulatory requirements by our investees may cause substantial harm to our reputation and the value of our investment. In addition, there may be complexities, regulatory or otherwise, associated with our expansion into new markets. If we are unable to address these challenges effectively, our ability to execute acquisitions as a component of our long-term strategy will be impaired, which could have an adverse effect on our growth.

We may incur additional costs to ESG-related risks and meet our ESG commitments, which may materially and adversely affect our financial performance.

We may incur additional costs and expenses to identify, manage, and mitigate ESG-related risks and meet our ESG commitments, which could impact our financial performance. Our business relies on hardware and data centers that consume energy and resources. We may face scrutiny regarding the environmental impact of our supply chain, including the sourcing of raw materials and the disposal or recycling of electronic components and batteries. Failure to effectively manage these indirect environmental impacts could expose us to regulatory penalties or criticism. We also actively promote the social value of technology in areas such as employee care, customer service, supplier management, and social engagement, and we are committed to fostering sustainable social development and inclusive growth. See “Business — Environmental, Social Responsibility and Governance.” This commitment to ESG requirements may entail incurring substantial additional costs and expenses. In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise.

We may not always keep pace with changing regulatory expectations or stakeholder demands, and we may also be perceived as inadequately addressing emerging ESG concerns even without explicit legal mandates. Any such perception or non-compliance could lead to reputational damage, lost business opportunities, higher financing costs or regulatory penalties, all of which could materially harm our business, financial condition and results of operations.

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RISKS RELATING TO INTELLECTUAL PROPERTY RIGHTS, DATA PRIVACY AND INFORMATION TECHNOLOGY

We may fail to adequately protect our intellectual property rights, and our use of open-source software or reliance on trade secrets could expose us to risks.

Our success depends significantly on our ability to protect our proprietary technologies, products, and solutions through intellectual property rights, particularly patents, copyrights, and trade secrets. We have been protecting our commercially important technologies by filing patent applications in the PRC and the United States. However, the application process is expensive and time-consuming, and we may not be able to file or prosecute all necessary applications in a timely manner. Even if granted, patents may not offer meaningful protection or prevent competitors from developing non-infringing alternatives, and they are subject to challenges in courts or patent offices. Furthermore, IP rights are time-limited, and once patents lapse, we may face intensified competition.

In addition to formal IP rights, we rely on trade secrets to protect unpatented know-how, algorithms, and models. We attempt to safeguard these through non-disclosure and confidentiality agreements with employees and third parties. Nevertheless, there is no guarantee that these parties will not make unauthorized use or disclosure of our proprietary information. A competitor gaining access to our trade secrets could exploit them to our detriment, and enforcing trade secret claims is costly, time-consuming, and uncertain. We also require employees to assign ownership of work-related inventions to us, but such agreements may not always be enforceable, leading to potential disputes over ownership.

Finally, we utilize open-source software in our in-vehicle systems, which poses additional risks. The terms of many open-source licenses have not been clearly interpreted by courts, creating legal uncertainty. We could face claims demanding the release of our proprietary source code or alleging breach of license terms, which could result in costly litigation or require us to re-engineer our products. Open-source software also generally lacks warranties and ongoing support, exposing us to security vulnerabilities. Any failure to manage these risks could compromise our proprietary technology and materially adversely affect our business.

We may become involved in lawsuits to protect or enforce our intellectual property rights or defend against infringement claims, which could be expensive, time-consuming and unsuccessful.

We may become involved in lawsuits to protect or enforce our intellectual property rights, which could be expensive, time-consuming, and unsuccessful. Competitors may infringe our patent rights or misappropriate trade secrets, requiring us to pursue litigation. However, such legal actions can be unpredictable, and an adverse result could put our patents at risk of being invalidated or interpreted narrowly. Furthermore, any claims we assert could trigger counterclaims alleging that we infringe third-party rights. Collaborative relationships and disputes regarding ownership of jointly developed technology may also result in litigation or arbitration, consuming additional resources and risking the disclosure of confidential information during discovery. Conversely, third parties may claim that we infringe upon their intellectual property rights. Companies in our industry routinely seek patent protection, and some competitors with large portfolios may claim our products infringe their patents. Given the complex legal analysis involved and the existence of pending, non-public patent applications, our efforts to avoid infringement may not always be successful. Additionally, hiring employees from competitors carries the risk of alleged trade secret misappropriation.

Any claims of infringement, regardless of merit, could cost significant time and money to defend, require us to pay substantial damages, or force us to redesign or discontinue selling affected products. We may also face injunctions forbidding us from using challenged intellectual property,

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or customers may defer purchases until litigation is resolved. Moreover, changes in intellectual property laws or judicial interpretations could further complicate our ability to enforce rights or defend against claims. Such risks could materially harm our business, financial condition, and results of operations.

Failure to manage the collection, use, storage, retention, transfer, disclosure, and other processing of data could damage our reputation and deter current and potential customers from using our solutions and services.

Data privacy and protection have become a global regulatory priority. The PRC government as well as foreign governments have enacted a series of laws, regulations and governmental policies governing data protection, with varying requirements that apply based on the type of data and its usage scenario. Our business operations involve collecting, using, storing, retaining, transferring, disclosing, and otherwise processing diverse data sets across our key application scenarios, each subject to distinct regulatory frameworks. See “Regulatory Overview — Laws and Regulations Relating to Cyber Security, Protection of Personal Information and Data Security — Regulations Relating to the Protection of Personal Information and Data Security”.

The regulatory framework for data security is complex and dynamic. The interpretation and application of laws, regulations and standards relating to cybersecurity, data protection and privacy across different jurisdictions are subject to changes, making it difficult for us to anticipate all compliance obligations and the extent of liabilities. New laws, amendments to, or reinterpretations of existing laws, regulations, standards, and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, regulations, standards, and other obligations relating to cybersecurity, data security and personal information protection are still evolving, it is possible that these laws, regulations, standards, and other obligations may be interpreted and applied in a manner that is inconsistent with our data processing practices and policies or the features of our products and solutions. If so, in addition to the possibility of fines, lawsuits, complaints, inquiries, allegations, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business, financial conditions and results of operations. Any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others and could damage our reputation, materially affecting our business.

Our information technology networks and systems may encounter malfunction, unexpected system failure, disruption, insufficiency or security breaches.

We rely on information technology systems for daily operations, supply chain coordination, real-time data transmission for our autonomous trucks and cloud-based decision-making updates. These systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Any significant disruption or shutdown could result in substantial repair costs. Moreover, failures in information technology systems related to automotive safety could potentially lead to problems with our solutions and services, resulting in physical injuries or even fatalities to drivers, passengers, and other individuals. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected.

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We rely on the proper function and performance of internet, mobile and other public infrastructures and any serious interruption of these infrastructures could materially affect our operations.

Our business depends on the performance and reliability of internet, mobile and other infrastructures that are not under our control. The functionality, connectivity and safe operation of our autonomous trucks rely on the mobile communication infrastructure and wireless technology. The occurrence of an unanticipated problem, such as a power outage, telecommunications delay or failure, security breach or computer virus could result in delays or interruptions to our product and service offerings and our technology platform, as well as business interruptions for us and our users, customers and business partners. Any of these events could damage our reputation, disrupt our operations and subject us to liability, which could adversely affect our business, financial condition, and results of operations. In addition, disruptions in internet infrastructure or GPS signals or the failure of telecommunications network operators to provide us with the bandwidth we need to provide our product and service offerings may interfere with the speed and availability of our technology platform and product and service offerings. Any of these events could damage our reputation, cause significant operational disruptions, expose us to liability and adversely affect our business, financial condition and result of operations.

RISKS RELATING TO OUR FINANCIAL CONDITION

We have incurred net losses during the Track Record Period and expect to continue to incur losses in the foreseeable future, and we may not be able to achieve or sustain profitability.

We have incurred net losses historically. For the years ended December 31, 2023, 2024 and 2025, we incurred net losses of RMB212.6 million, RMB187.2 million and RMB170.9 million, respectively, and adjusted net losses of RMB149.1 million, RMB104.6 million and RMB83.3 million for the same periods. These losses were primarily attributable to our continued investment in research and development, significant finance costs primarily consisting of interest expenses on redemption liabilities related to shares with preferential rights, and operating expenses exceeding our gross profit during the early stage of commercialization. We expect to continue to incur net losses in the foreseeable future, including in 2026, as we continue to invest in research and development and expand our commercial operations.

Our path to profitability depends on, among other things, our ability to: (i) achieve and sustain significant revenue growth; (ii) continue to improve our gross profit margin through optimization of our product mix towards higher-margin products such as AiBox and AiCloud; (iii) further reduce our operating expense ratios as our revenue scales; and (iv) successfully execute our business strategies, including technology development, customer acquisition and international expansion. See “Business — Business Sustainability”. Each of these factors is subject to significant risks and uncertainties, many of which are beyond our control. In particular, our revenue growth is expected to be increasingly driven by the Trunk City and Trunk Pilot segments, which address open-scenario applications with significant market potential. However, these segments, particularly Trunk City, are at a relatively earlier stage of commercialization compared to our Trunk Port. We did not generate revenue from the Trunk City segment during the year ended December 31, 2025 as the relevant projects had not yet reached the acceptance milestone required for revenue recognition. While we have a growing pipeline of Trunk City projects and have continued to secure new contracts since the end of the Track Record Period, the timing of revenue recognition from these projects remains subject to the progress of deployment, customer acceptance and, in certain cases, government procurement cycles. If the conversion of our project pipeline into recognized revenue takes longer than anticipated, our revenue growth and timeline to profitability could be affected.

There is no assurance that the assumptions underlying our path to profitability will prove to be correct, or that we will be able to achieve profitability on the timeline we expect or at all. If our revenue does not grow at the rate we anticipate, our gross profit margins do not continue to improve,

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or if we are unable to achieve sufficient operating leverage, we may continue to incur losses for a prolonged period, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We recorded net operating cash outflows and had net liabilities historically and there can be no assurance that we will not have net cash outflow from operating activities in the future.

We have experienced significant cash outflow from operating activities historically. We had net cash used in operating activities of RMB82.6 million, RMB86.5 million and RMB80.5 million for the years ended December 31, 2023, 2024 and 2025, respectively. As we continue to scale our operations, expand into new markets, and invest in innovation, it is likely that our operating cash needs will remain high. The costs associated with these initiatives could lead to continued net cash outflows from operating activities. We cannot guarantee that we will achieve positive cash flows in the future. We also had net liabilities amounted to RMB799.0 million, RMB981.5 million and RMB1,164.6 million as at December 31, 2023, 2024 and 2025, respectively. Our net liabilities position was primarily attributable to the significant amount of financial liabilities at fair value through profit or loss regarding our redemption liabilities in relation to our [REDACTED] Investments. See Note 31 to the Accountants’ Report. While we expect our net liabilities position to improve upon the [REDACTED] as these liabilities will be reclassified to equity, we cannot assure you that we will not have a net liabilities position in the future. A net liabilities position can further expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected.

A continuation of net cash outflows from operating activities could have several adverse effects on our business by reducing the amount of cash available for our operations and business expansion. Furthermore, failure to generate positive cash flow from operations may adversely affect our ability to raise capital for our business on reasonable terms, if at all. It may also increase our reliance on external financing sources, exposing us to potential risks associated with fluctuating interest rates, debt covenants, and market conditions.

Our results of operations have fluctuated and may continue to fluctuate significantly from period to period due to the project-based nature of our business and seasonal factors.

Our revenue and results of operations have experienced, and may continue to experience, significant fluctuations. For the years ended December 31, 2023, 2024 and 2025, our revenue amounted to RMB134.1 million, RMB254.1 million and RMB344.5 million, respectively. This is primarily due to the project-based nature of our business, where revenue is recognized upon the delivery and acceptance of our solutions. The timing of such milestones can vary significantly depending on customer requirements, project complexity, and deployment schedules. In addition, our business is subject to seasonal fluctuations. Since some of our clients usually conduct project evaluation and payments in the fourth quarter of the year, we generally expect to record higher revenue generated from sales of our autonomous driving solutions for the fourth quarter of the year than the first three quarters. As a result of the foregoing, our quarterly or interim results may not be comparable to the corresponding periods of prior years. See also “Financial Information — Key Factors Affecting Our Performance — Seasonal Fluctuations and Project Delivery Cycles”. If our growth rate declines or if we fail to manage the working capital fluctuations caused by these project cycles, our financial condition and results of operations could be materially and adversely affected.

Our profitability is subject to fluctuations in our product mix.

Our gross profit margins and profitability have fluctuated and may continue to fluctuate significantly depending on the mix of products and solutions we deliver in any given period. We offer a comprehensive product matrix comprising autonomous trucks (AiTruck), intelligent edge devices (AiBox) and intelligent cloud services (AiCloud), each of which carries a distinct cost

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structure and margin profile. For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB16.4 million, RMB57.6 million and RMB93.3 million, respectively, representing a gross profit margin of 12.2%, 22.7% and 27.1%, respectively.

Our revenue composition varies from period to period based on customer customization. For example, in periods where we deliver a higher proportion of hardware-intensive solutions (such as AiTruck), which typically involve higher procurement costs, our overall gross profit margin may be comparatively lower. Conversely, a higher contribution from cloud services or software solutions may boost our margins. There is no assurance that we will be able to maintain an optimal product mix or successfully increase the sales of our higher-margin solutions. If our revenue mix shifts towards lower-margin hardware products, or if we fail to manage the associated procurement costs effectively, our overall profitability could be materially and adversely affected.

We may not be able to obtain additional capital when desired, on favourable terms or at all.

We need significant capital to, among other things, conduct research and development for our autonomous driving technology, attract and retain top talent, launch new autonomous driving vehicle types, offer more advanced autonomous driving functionalities, expand our customer base and provide quality technical support services. Our capital requirements will be subject to many factors, including, but not limited to technological advancements, market acceptance, customer and supplier relationships, potential acquisitions, and macroeconomic conditions. If our capital requirements exceed current plans, we may need additional funding sooner than expected. However, external financing may not be available when needed, on favorable terms, or at all. Failure to secure necessary capital could materially and adversely affect our business, financial condition, and results of operations.

Failure to obtain or maintain any of the government grants, subsidies, preferential tax treatments or other incentives could adversely affect our business, results of operations, financial condition and prospects.

We historically enjoyed preferential tax treatment, including reduced enterprise income tax (“EIT”) rates of 15% for certain PRC entities recognized as “High New Tech Enterprises”, which is a status valid for three years. Such preferential tax treatments are subject to change and termination. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations.

We have also received government grants, which may not be recurring. For the years ended December 31, 2023, 2024 and 2025, the amount of government grants recognized as our income was RMB3.7 million, RMB1.0 million and RMB3.7 million, respectively, which accounted for 51.2%, 30.5% and 51.8% of our other income for the relevant period. These government grants primarily represents earmarked funding for approved R&D initiatives and are typically evaluated on an annual or project basis, based on prevailing local regulations and policies, and are thus non-recurring in nature. In some cases, we are required to satisfy certain conditions or contractual obligations before receiving government grants. It is possible that regulatory authorities may discontinue such grants, or require us to repay part or all of the government grants we previously received. Any reduction, cancellation, or repayment resulting from our failure to perform such obligations could adversely affect our business, financial condition and results of operations.

Failure to fulfil our obligations in respect of contract liabilities, or failure to meet recourse obligations on discounted or endorsed notes receivables, could adversely affect our liquidity and financial condition.

Our contract liabilities primarily consist of prepayments and progress billings from customers for sales of autonomous driving solutions and related services. As of December 31, 2023, 2024 and 2025, our contract liabilities amounted to RMB4.8 million, RMB7.3 million and RMB20.3 million, respectively. See “Financial Information — Discussion of Key Items of Consolidated Statements of

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Financial Position”. The ability to fulfill these performance obligations is subject to various factors beyond our control, such as supply chain disruptions, delays in technology development, or changes in regulatory requirements. There is no guarantee that we will be able to meet these obligations as planned. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected. In addition, any negative perception of our inability to meet contractual obligations could damage our reputation, potentially leading to a loss of future business opportunities and further negatively affecting our business.

We are exposed to the credit risk of our customers.

We are exposed to credit risk related to delay in payment and defaults of our various customers or related parties. As of December 31, 2023, 2024 and 2025, our trade and notes receivables were RMB115.5 million, RMB171.5 million and RMB155.5 million respectively, while our prepayments, deposits and other receivables were RMB23.0 million, RMB14.6 million and RMB25.5 million as of the same dates. A substantial portion of our trade receivables is attributable to large customers whose internal approval, budgeting and fund settlement processes may lead to longer collection cycles. We may not be able to collect all such trade and notes receivables and prepayments, deposits and other receivables due to a variety of factors that are beyond our control, including long project acceptance periods for certain large-scale projects, adverse operating condition or financial condition of customers, and customers’ inability to pay, among others. If customers or related parties delay payments or default, we may need to make impairment provisions or write off the relevant amounts, adversely affecting our liquidity and financial condition.

If we fail to manage our inventory effectively, our results of operations and financial condition may be adversely affected.

Our business expansion requires us to manage inventories effectively. Our inventories as of December 31, 2025 primarily consisted of raw materials, contract cost in progress and finished goods for our autonomous driving solutions and services. Our inventories levels have fluctuated significantly during the Track Record Period. As of December 31, 2023, 2024 and 2025, our inventories were RMB8.7 million, and RMB1.9 million and RMB19.7 million, respectively. The significant increase in our inventory balance as of December 31, 2025, compared to the end of 2024, was mainly due to our procurement and production activities in anticipation of upcoming project deliveries and business expansion. As our business expands and we undertake larger-scale projects, our inventory levels may remain high or continue to fluctuate. We cannot guarantee that our inventories can be fully utilized or delivered on time. High inventory levels tie up significant working capital and expose us to obsolescence risks, particularly given the rapid technological iteration in our industry. If our hardware becomes outdated before deployment, or if customers delay or cancel projects associated with our contract costs in progress, we may face inventory write-offs, which could materially and adversely affect our liquidity and financial condition.

We have granted and may continue to grant share-based awards under our share incentive plan, which may result in increased share-based compensation expenses.

We have adopted, and may continue to implement, share-based incentive plans to attract, retain and motivate management and key personnel critical to our growth and innovation. Specifically, we recorded share-based payment expenses in the amount of RMB11.1 million, RMB4.7 million and RMB0.05 million in 2023, 2024 and 2025, respectively. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which may adversely affect our results of operations and financial condition.

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Our historical financial information may not indicate our future financial performance.

Our historical financial results reflect our business operations during a specific period, shaped by factors such as market conditions at the time, the scale of our operations, and the stage of development of our solutions and services. As we continue to grow, expand into new markets, and invest in new technologies, our business environment and operational dynamics are likely to change significantly. Our limited operating history further reduces the reliability of historical data as a predictor of future results. The strategies that drove growth in earlier stages, such as heavy investment in research and development or aggressive marketing, may not yield the same returns as we mature. As a result, [REDACTED] should not rely solely on our historical financial information to assess our future profitability, cash flow, or overall financial performance.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WE OPERATE

Failure to respond to development in the economic, government policies, and laws and regulations in the principal place where we operate may have a material adverse effect on our business, financial condition and results of operations.

Our business, financial condition and operating result may be influenced by the overall political, economic and social conditions in the countries where we operate. In particular, due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by economic, social and legal developments in the PRC. The PRC government as well as the governments of the other jurisdictions where we operate have implemented and may continue to introduce various policies, measures and regulations aimed at encouraging economic growth and guiding resource allocation. These policies and measures may be adjusted from time to time. Failure to respond to such development may materially and adversely affect our business.

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with capital raising activities.

Evolving regulations governing overseas listings by Chinese companies introduce uncertainties that could disrupt our financing activities. Under the Trial Administrative Measures for Overseas Securities and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”), we may be required to fulfill filing procedures with the CSRC or obtain approvals from other PRC regulatory authorities in connection with our future financing activities, such as follow-on offerings or other securities issuances. If our future financing activities or other significant events require filings with the CSRC or other regulatory authorities, or the fulfillment of other requirements, failure to complete such filings or meet such requirements in a timely manner could impair our ability to finance business development. This, in turn, may have a material adverse effect on our business and financial condition.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC, and substantially all of our business, assets and operations are located in mainland China. In addition, a majority of our Directors, Supervisors or members of our senior management reside in mainland China, and a substantial portion of the assets of such Directors, Supervisors or members of our senior management are located in mainland China. As a result, it may be difficult to effect service of process outside mainland China upon us or such Directors or members of our senior management. Under the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which took effect in January 2024, judgments rendered by Hong Kong courts can be recognized and enforced in mainland China without requiring a prior choice-of-court agreement between the parties.

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However, this arrangement applies only to judgments from Hong Kong. Judgments from jurisdictions without reciprocal recognition and enforcement treaties with mainland China may not be recognized or enforced in mainland China. This limitation could hinder your ability to enforce legal claims against us or our management.

We are subject to regulations on currency conversion and risks relating to fluctuations in exchange rates.

The value of RMB against other currencies may fluctuate, subject to changes resulting from relevant government’s policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rates between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, the H Shares in foreign currency terms.

Payment of dividends is subject to restrictions under PRC laws.

Under PRC laws, dividends may only be paid from distributable profits, which are calculated as distributable net profits minus appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our shareholders’ meeting). These appropriations are based on unconsolidated net profits determined under PRC GAAP. Our distributable net profit referred to above represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under HKFRS. As a result, even if we report an accounting profit, we may not have sufficient distributable profits to pay dividends to Shareholders. Any undistributed profits in a given year are retained and may be distributed in subsequent years, but there is no guarantee of future dividend payments.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, and subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides otherwise, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. However, it remains unclear whether dividends on our H Shares or gains from their

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transfer would be classified as PRC-source income and thus subject to such taxes. If PRC income tax is imposed on these dividends or gains, the value of [REDACTED] in our Shares could be adversely affected. Additionally, Shareholders resident in jurisdictions with PRC tax treaties may not qualify for treaty benefits.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for our H shares, and their [REDACTED] and [REDACTED] may be volatile.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate [REDACTED] and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares may not be an indication of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares could be materially and adversely affected. The [REDACTED] and [REDACTED] of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our results of operations, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the volume and price at which our H Shares will trade.

Substantial future sales or the expectation of substantial sale of our H Shares in the [REDACTED] could cause the price of our H Shares to decline.

Future sales of a substantial amount of our H Shares, especially by our Directors and/or existing Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. The H Shares held by our existing Shareholders are subject to certain lock-up periods beginning on the date on which [REDACTED] in our H Shares commences on the Stock Exchange. We cannot assure you that our existing Shareholders will not dispose of any H Shares they may own now or in the future. See “History, Development and Corporate Structure — Lock-up Periods” and “History, Development and Corporate Structure — [REDACTED] Investments” for details. Market sale of our H Shares by such Shareholders and the availability of these H Shares for future sale may have negative impact on the [REDACTED] of our H Shares, and may result in losses on your [REDACTED] in our H Shares.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our H Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows, or limit our flexibility in business development and strategic plans.

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Purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases and may experience further dilution.

As the [REDACTED] of our H Shares is higher than the consolidated tangible assets less liabilities per share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution in [REDACTED] net tangible book value, and our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated tangible assets less liabilities value per Share of their Shares. In addition, holders of our Shares may experience further dilution of their interests if the [REDACTED] exercise the [REDACTED] or if we obtain additional capital in the future through equity offerings.

We cannot assure you whether and when we will declare and pay dividends in the future.

We may not be able to pay any cash dividends in the foreseeable future. Our ability to pay dividends will depend on various factors, including whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the corporate approval processes. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or HKFRS, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory provisions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See “Financial Information — Dividends.”

Certain facts, forecasts and statistics contained in this document are derived from a third-party report and official government sources and they may not be reliable.

This document, particularly the section headed Industry Overview, contains information and statistics relating to our industry. Such information and statistics have been derived from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. Information and statistics from official government have not been prepared or independently verified by us, the [REDACTED] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such statistics. We believe that the sources of such information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision. We strongly caution you not to rely on any information contained in press articles or other media coverage relating to us or the [REDACTED].

There may have been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this document only and should not rely on any other information.

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Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

Rules	Subject matter
Rules 8.12 and 19A.15 of the Listing Rules	Management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules . .	Appointment of joint company secretaries

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, none of our executive Directors resided in Hong Kong.

Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since our principal business and operations are primarily in the PRC, all of our executive Directors are based in the PRC as the Board believes it would be more effective and efficient for its executive Directors to be based in a location where our operations are conducted. It would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Therefore, we do not and, for the foreseeable future, will not have executive Directors who are ordinarily resident in Hong Kong for the purposes of satisfying the requirements of Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (i) **Authorized representatives:** we have appointed Mr. Zhang Tianlei and Ms. Pau So Yi (“**Ms. Pau**”) as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. Our Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. Our Company will also inform the Stock Exchange promptly in respect of any change in our Authorized Representatives. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (ii) **Directors:** to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and e-mail addresses, to the extent possible) of each of our Directors such that our Authorized Representatives would have the means to contact all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, they will provide their phone number of

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

the place of their accommodation to our Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

- (iii) **Compliance adviser:** we have appointed Altus Capital Limited as our compliance adviser (the “**Compliance Adviser**”) upon [REDACTED] pursuant to Rules 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Pursuant to Note to Rule 3A.23 of the Listing Rules, our Compliance Adviser will have access at all times to our Authorized Representatives, our Directors and the other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of our Compliance Adviser have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in our Compliance Adviser;
- (iv) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or our Compliance Adviser, or directly with our Directors within a reasonable time frame;
- (v) we will also appoint professional advisers (including legal advisers and accountants) after the [REDACTED], if necessary, to assist us in dealing with any questions or queries raised by our Company and to ensure that there will be efficient communication with the Stock Exchange; and
- (vi) the Compliance Adviser will also advise on the on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint an individual as our company secretary, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, the Stock Exchange will consider the following factors in assessing the individual’s “relevant experience”:

- (i) length of employment with the issuer and other issuers and the roles he/she played;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

We have appointed Mr. Bi Hongkui (“**Mr. Bi**”) as one of our joint company secretaries. He has a thorough understanding of the operations of the Board and our Company and has gained experience in handling corporate governance and general administrative matters relating to our Company. Although he presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we would like to appoint him as our joint company secretary for the following reasons:

- (i) Mr. Bi joined the Group in April 2025 and has served as the secretary to the Board since then. In this capacity, he has been deeply involved in the Company’s daily operations, legal affairs, and corporate governance matters. He acts as the primary channel of communication between the Company’s shareholders, the Board, and senior management. His established working relationship with the Board and his thorough understanding of the Company’s internal culture and decision-making processes enable him to facilitate effective communication and ensure that Board decisions are implemented efficiently.
- (ii) As the Group’s principal business operations and management are located in the PRC, the Directors believe that it is in the best interests of the Company to appoint a joint company secretary who is ordinarily resident in the PRC and possesses a strong background in PRC legal and regulatory matters. Mr. Bi holds a legal professional qualification in the PRC and a board secretary qualification. His physical presence at the Group’s headquarters allows him to attend to day-to-day corporate secretarial matters, monitor internal control compliance in real-time, and respond immediately to any regulatory issues arising within the PRC jurisdiction.
- (iii) Mr. Bi has acquired relevant experience to discharge the functions of a company secretary. Prior to his current role, Mr. Bi was involved in corporate secretarial and compliance affairs for other companies listed on the Stock Exchange, through which he gained practical exposure to the requirements of the Listing Rules and the duties of a company secretary.

In addition, we have appointed Ms. Pau as the other joint company secretary to assist Mr. Bi in discharging the duties of a company secretary. Ms. Pau is an associate member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute. Ms. Pau therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Pau will be assisting Mr. Bi in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Bi will also be assisted by (i) our Compliance Adviser for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal adviser of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Bi will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer [REDACTED] on the Stock Exchange. We have applied to the

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Stock Exchange for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Bi may be appointed as a joint company secretary of our Company.

Pursuant to the Chapter 3.10 (Directors, Supervisors and Senior Management) of the Guide, the waiver will be for a fixed period of time not exceeding three years (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial three-year period on the condition that Ms. Pau, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Bi in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Pau ceases to provide assistance to Mr. Bi as the joint company secretary for the three-year period after [REDACTED].

Our Company will further ensure that Mr. Bi has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Bi and the need for on-going assistance of Ms. Pau will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Bi, having benefited from the assistance of Ms. Pau for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the “relevant experience” within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors and Senior Management” for further information regarding the qualifications of Ms. Pau and Mr. Bi.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. ZHANG Tianlei (張天雷)	Room 1913, Unit 3, Building 2 No. 1 Yinmaying Courtyard Chaoyang District Beijing, China	Chinese

Mr. WANG Xiaodong (王曉東)	Room 1402, Entrance 3, Building 3 Fuguangli Community Haidian District Beijing, China	Chinese

Mr. WANG Chao (王超)	Room 907, Building 2 Jinsong South Road Chaoyang District Beijing, China	Chinese

Mr. AN Lifeng (安利峰)	Room 909, Building 203 Huizhongli Chaoyang District Beijing, China	Chinese

Independent Non-executive Directors

Dr. HUANG Guoquan (黃國全)	Flat F, 32/F Tower 26 South Horizons Hong Kong	Chinese (Hong Kong)

Ms. MENG Qinghui (孟慶慧)	Room 702, Floor 6, Block A, Building 10 Apple Community South District Baiziwan Road Chaoyang District Beijing, China	Chinese

Dr. HUANG Yijian (黃益建)	Room C510 Building 20 Guang'anmen North Street Xicheng District Beijing, China	Chinese

For details with respect to our Directors, see “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Guotai Junan Capital Limited

27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

Sponsor-Overall Coordinator

Guotai Junan Securities (Hong Kong) Limited

27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

Overall Coordinators, [REDACTED]

Guotai Junan Securities (Hong Kong) Limited

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Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

DBS Asia Capital Limited

73/F, The Centre
99 Queen’s Road Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Legal Advisors to the Company

As to Hong Kong laws:

Han Kun Law Offices LLP

Rooms 4301-10, 43/F
Gloucester Tower
The Landmark
15 Queen’s Road
Central
Hong Kong

As to PRC laws:

Han Kun Law Offices

9/F, Office Tower C1
Oriental Plaza
1 East Chang An Ave
Dongcheng District
Beijing, PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to international sanctions compliance:</i> King & Wood 18th Floor, East Tower World Financial Center 1 Dongsanhuan Zhonglu, Chaoyang District Beijing, PRC
Legal Advisors to the Sole Sponsor and [REDACTED]	<i>As to Hong Kong and U.S. laws:</i> King & Wood 13/F, Gloucester Tower The Landmark 15 Queen’s Road Central Central Hong Kong
	<i>As to PRC laws:</i> King & Wood 28th Floor, China Resources Tower 2666 Keyuan South Road, Nanshan District Shenzhen, Guangdong, PRC
Auditor and Reporting Accountant	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. Room 2504, Wheelock Square 1717 Nanjing West Road Shanghai 200040, PRC
Compliance Adviser	Altus Capital Limited 21 Wing Wo Street Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	Room 101, 1st Floor, Building 1 No. 2 Yuan, Qianyi Road Shunyi District, Beijing PRC
Headquarters and Principal Place of Business in the PRC	501, 5/F Block 7, Weisheng Building 1 Zhongguancun East Road Haidian District, Beijing PRC
Principal Place of Business in Hong Kong	Room 1920 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>www.trunk.tech</u> <i>(Information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Bi Hongkui 501, 5/F Block 7, Weisheng Building 1 Zhongguancun East Road Haidian District, Beijing PRC Ms. Pau So Yi <i>(ACG, HKACG)</i> Room 1920 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Zhang Tianlei 501, 5/F Block 7, Weisheng Building 1 Zhongguancun East Road Haidian District, Beijing PRC Ms. Pau So Yi Room 1920 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Dr. Huang Yijian <i>(Chairman)</i> Dr. Huang Guoquan Ms. Meng Qinghui

CORPORATE INFORMATION

Remuneration and Appraisal Committee

Dr. Huang Guoquan (*Chairman*)
Dr. Huang Yijian
Mr. Zhang Tianlei

Nomination Committee

Mr. Zhang Tianlei (*Chairman*)
Ms. Meng Qinghui
Dr. Huang Guoquan

[REDACTED]

Principal Banks

**China Merchants Bank Co., Ltd.,
Beijing Branch**

1/F, China Merchants
International Finance Tower
156 Fuxingmennei Street
Xicheng District, Beijing
PRC

Bank of China, Beijing Branch

Block C, Kaiheng Center
2 Chaoyangmennei Street
Dongcheng District, Beijing
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, Overall Coordinators, [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on China’s autonomous driving solutions for commercial vehicles industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB630,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and China is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

OVERVIEW OF CHINA’S ROAD LOGISTICS INDUSTRY

China’s logistics sector has established a comprehensive transportation system encompassing multiple modalities, including railways, roadways, waterways, and air transport, each playing complementary roles. As of 2025, China has ranked as the world’s largest logistics market by revenue for ten consecutive years, with total social logistics volume exceeding RMB360 trillion. Road logistics plays a dominant and irreplaceable role, consistently handling over 70% of total freight volume.

China’s road logistics industry has long been constrained by structural challenges, including driver shortages, high operating costs, elevated traffic accident rates, and low transportation efficiency, which represent critical bottlenecks to the sector’s high-quality development. As road logistics demand continues to grow and labor costs steadily rise, traditional operating models are increasingly unable to support the industry’s sustainable development. Against this backdrop, the application of autonomous driving technology has emerged as a systemic solution to address these pain points, demonstrating significant value across four core dimensions: enhancing safety, boosting revenue, improving efficiency, and promoting energy savings and carbon reduction.

INDUSTRY OVERVIEW

OVERVIEW OF CHINA’S AUTONOMOUS DRIVING SOLUTIONS FOR COMMERCIAL VEHICLES INDUSTRY

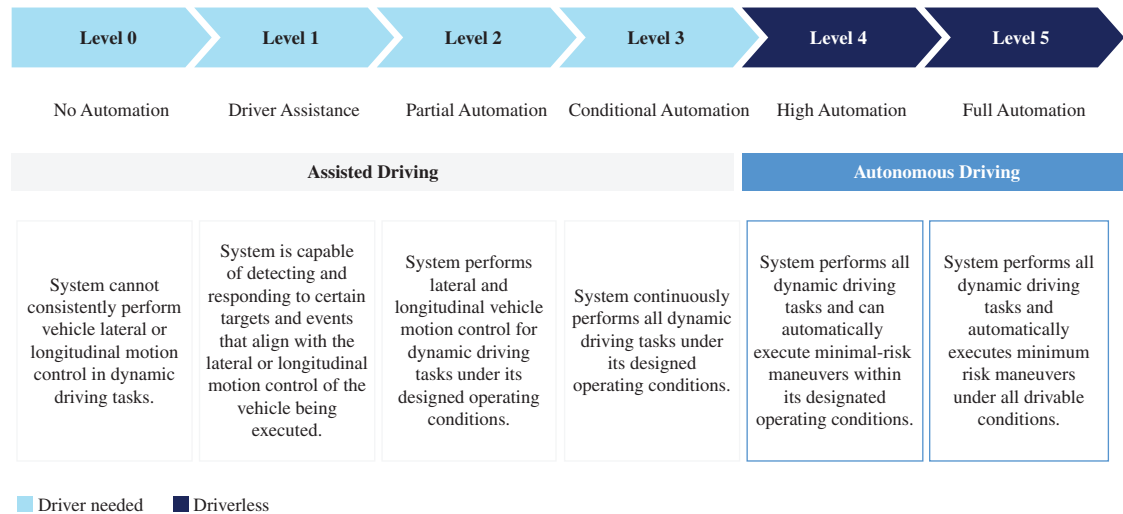
Definition and Classification of Commercial Vehicles and Trucks

Commercial vehicles refer to motorized vehicles primarily designed for the transport of goods, or the execution of professional and commercial tasks. These vehicles are required to comply with all applicable national regulatory standards and must be officially registered with the Vehicle Management Office under China’s Public Security Bureau. Commercial vehicles come in a wide variety of types and are typically categorized based on their model and purpose, including heavy trucks, light trucks, vans and others. Among all commercial vehicle categories, trucks constitute the dominant segment and have also become the primary platform for deploying autonomous driving technologies. In China, trucks accounted for approximately 70% of all commercial vehicle sales in 2025, and this share is projected to rise to approximately 75% by 2030. As autonomous driving technologies continue to advance, commercial vehicles are undergoing a systematic shift from basic driver-assistance systems to increasingly sophisticated forms of full automation.

Definition and Classification of Autonomous Driving Solutions for Commercial Vehicles

Autonomous driving technology integrates advanced hardware and software, enabling vehicles to operate with minimal or no human intervention. It is classified from L0 to L5 based on automation level and scenario complexity.

Introduction of Each Level of Autonomous Driving Technology



Source: SAE International, Frost & Sullivan

Note: The SAE classification refers to the Society of Automotive Engineers’ standard that defines six levels of driving automation, known as SAE J3016. It is the globally recognized framework used to categorize autonomous driving systems based on how much human input is required.

Autonomous driving solutions for commercial vehicles include intelligent systems that integrate L4 and L5 autonomous driving functions to meet the needs of a wide range of logistics and transportation scenarios. This solution typically consists of two core segments: products and operational services. Products primarily include commercial vehicles, on-board systems and technology maintenance. The operational services emphasize commercial transport operations, fleet management and remote monitoring to ensure efficient and secure system operation.

INDUSTRY OVERVIEW

Value Chain of Autonomous Driving Solutions for Commercial Vehicles Industry

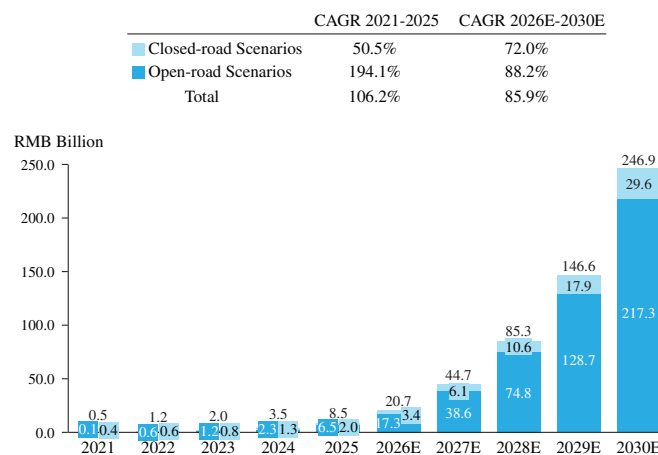
The upstream of the autonomous driving solutions for commercial vehicle industry comprises core hardware component manufacturers, vehicle OEMs and chassis suppliers, software and platform providers, as well as technology service providers supplying essential technologies and infrastructure. In the midstream, the autonomous driving solutions for commercial vehicles providers, work closely with OEMs to integrate autonomous driving systems into vehicles.

In the downstream, autonomous driving solutions for commercial vehicles are primarily deployed in closed-road scenarios, such as ports, border crossings, industrial zones, offering controlled conditions ideal for early-stage adoption, and in open-road scenarios, such as long-haul logistics, urban logistics and public transportation.

Market Size of China’s Autonomous Driving Solutions for Commercial Vehicles Industry

Open scenarios are expected to be the primary driver of the autonomous driving solutions for commercial vehicle market. As entry standards for long-haul transportation and urban logistics improve and technologies mature, autonomous driving solution will become more widespread and efficient, spurring market growth. In long-haul transportation, it will enhance efficiency and reduce costs through intelligent infrastructure, while in urban logistics, it will help alleviate congestion and improve efficiency. By 2030, revenue from open-road scenarios are projected to account for over 85% of the total market. The market size of autonomous driving solutions for commercial vehicles in China is presented below:

Market Size of China’s Autonomous Driving Solutions for Commercial Vehicles Industry by Revenue, 2021-2030E



Source: China’s Public Security Bureau, Industry expert interviews, Frost & Sullivan

Entry Barrier, Threats and Challenges Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry

The autonomous driving solutions industry for commercial vehicles faces key barriers. Technological barriers arise from complex integration of algorithms, sensors, and vehicle-infrastructure-cloud systems, requiring extensive R&D. Product barriers involve regulatory compliance, system integration, and customer customization. Supply chain barriers include stable component sourcing and cost control, while customer barriers relate to high costs and safety concerns, favoring established providers. Despite strong growth potential, the industry in China remains in early-stage commercialization, with open-road deployment requiring strict safety validation and high R&D investment.

INDUSTRY OVERVIEW

Competitive Landscape of China’s Autonomous Driving Solutions for Commercial Vehicles Industry

The following chart illustrates the comparison of major autonomous driving solutions for commercial vehicles providers in China. Our Company ranked fourth in autonomous driving solutions for commercial vehicles providers in China in terms of revenue in 2025.

Top 5 Autonomous Driving Solutions for Commercial Vehicles Providers (China), 2025

Ranking	Company	Business Model		Revenue (RMB Billion)	Market Share (%)	Major Scenarios Coverage	
		Product sales	Fleet operation			Open-road Scenarios	Closed-road Scenarios
1	Company A	○	●	~1.3	15.3%	Public Transportation	-
2	Company B	●	○	~0.8	9.4%	Urban Logistics	-
3	Company C	●	○	~0.4	4.7%	Urban Logistics	-
4	Our Company	●	○	0.23	2.7%	Long-haul Logistics, Urban Logistics, Urban Transportation	Seaports, Border Crossings, Industrial Zones, River Ports, Inland Ports, etc.
5	Company D	○	○	~0.2	2.6%	Urban Logistics-Public Transportation	-
Top 5 Total				~3.0	34.7%		

Source: Industry expert interviews, Websites of the comparable companies, Frost & Sullivan

Notes:

- represents high revenue proportion, ○ represents low revenue proportion.
- Company A, founded in 2015 and headquartered in Anhui, China, is an unlisted technology company specializing in artificial intelligence and autonomous driving technologies. It provides autonomous vehicle solutions such as general-purpose humanoid robots, shuttle buses and sanitation operation robots.
- Company B, founded in 2018 and headquartered in Beijing, China, is an unlisted technology company specializing in the commercial application of L4 autonomous driving technology in logistics scenarios. It provides autonomous vehicle solutions such as last-mile delivery robots, urban short-distance delivery vehicles and regional distribution cargo vehicles.
- Company C, founded in 2021 and headquartered in Jiangsu, China, is an unlisted technology company specializing in L4 autonomous driving solutions for intra-city freight. It provides standardized transportation solutions for urban feeder transport and B2B unmanned logistics with its core product robovan.
- Company D, founded in 2017 and headquartered in Guangdong, China, and listed on the Nasdaq Stock Market in 2024 and the Hong Kong Stock Exchange in 2025, focuses on the research, development and commercialization of autonomous driving technologies. Its main businesses include robotaxi, robobus, robosweeper and robovan.

OVERVIEW OF CHINA’S AUTONOMOUS DRIVING SOLUTIONS FOR COMMERCIAL VEHICLES INDUSTRY IN CLOSED-ROAD SCENARIOS

In closed-road scenarios, the autonomous driving commercial vehicle industry is experiencing rapid growth, reflecting increasing recognition of autonomous driving technologies and expanding market demand. As core hardware and software technologies mature, vehicle performance, stability, and reliability continue to improve, encouraging wider adoption in controlled environments. Downstream customers are increasingly focused on enhancing operational efficiency and safety through fleet upgrades and renewals, while declining unit costs have lowered deployment thresholds, further unlocking market potential. This trend reflects a shift toward complete solution-centric business models, strengthens technological R&D capabilities and market competitiveness, and lays a solid foundation for the industry’s long-term sustainable development.

INDUSTRY OVERVIEW

Market Drivers and Development Trends Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Closed-road Scenarios

Policies Propelling the Deployment of Autonomous Driving Commercial Vehicles

The Chinese government is accelerating its strategic support for intelligent manufacturing and autonomous driving technologies, providing strong policy momentum for the commercialization of autonomous-driving commercial vehicles. The “Guidelines on Accelerating the Development of Smart Ports and Smart Waterways” (《關於加快智慧港口和智慧航道建設的意見》) released by the Ministry of Transport in 2023 called for the large-scale deployment of next-generation automated guided vehicles (AGVs) and driverless container trucks, with a focus on advancing pilot programs in airport and seaport transportation and related logistics. In November 2025, China’s Ministry of Industry and Information Technology (MIIT) announced that it would formulate the “15th Five-Year Plan for the Development of the Intelligent Connected Vehicle Industry” (《“十五五”智能網聯汽車產業發展規劃》), defining industry development goals, outlining key tasks, and accelerating the establishment of standards related to combined driving assistance and autonomous driving. In the same year, MIIT and seven other ministries jointly issued the “Work Plan for Stabilizing Growth in the Automotive Industry (2025-2026)” (《汽車行業穩增長工作方案(2025-2026年)》), which explicitly stated that pilot programs for the admission and road operation of intelligent connected vehicles should be promoted, L3-level vehicle production access should be conditionally approved, and the improvement of laws and regulations related to road traffic safety and insurance should be advanced.

Technological Breakthroughs Enhance Market Appeal

Advances in core technologies, including perception, decision-making, and control, combined with the application of artificial intelligence (AI), sensor fusion, and deep learning algorithms, have significantly improved vehicles’ autonomous perception, environmental adaptability, and path-planning capabilities, fundamentally enhancing system safety, reliability, and commercial feasibility. Among these innovations, the introduction of VLA (Vision-Language-Action) models and World Model is particularly critical. These technologies provide autonomous driving vehicles with human-like cognitive and reasoning abilities, enabling them not only to perceive and execute tasks but also to understand operational semantics, predict environmental changes, and autonomously plan actions.

At the same time, vehicle-infrastructure-cloud collaboration, intelligent control logic, and AI-powered behavior prediction capabilities further enhance system maturity in structured scenarios. This enhancement not only reduces human intervention and improves fleet operational efficiency but also increases the resilience and flexibility of logistics systems.

Evolving Business Models

Autonomous driving solutions for commercial vehicles in closed-road scenarios industry is shifting from an operation-led model characterized by heavy-asset, self-operated transport fleets to a light-asset model centered on product sales, technological enablement, and ecosystem collaboration. Leading companies are increasingly focused on the commercial delivery of autonomous heavy trucks and supporting systems, providing standardized and scalable solutions for logistics enterprises, fleet operators, and infrastructure owners. Meanwhile, with improvements in intelligent fleet supervision and closed-loop data capabilities, coordination efficiency across the industry value chain continues to rise. By integrating upstream manufacturers, digital platform providers, and downstream logistics and infrastructure operators, the industry is developing an open, interconnected, service-centric ecosystem. This ecosystem lays a solid foundation for the large-scale deployment and commercialization of autonomous driving commercial vehicles.

INDUSTRY OVERVIEW

Accelerated Global Expansion of Chinese Enterprises

As China’s autonomous driving technologies for commercial vehicles in closed-road scenarios continue to mature, the industry is accelerating its expansion into global markets. An increasing number of enterprises are leveraging the Belt and Road Initiative to expand internationally through technology export, project-based collaboration, and ecosystem development, bringing China’s autonomous driving technologies and operational experience to key overseas economic corridors. This strategic expansion allows mature autonomous driving products and solutions to be rapidly replicated in regions with similar industrial foundations and transportation scenarios. Through deeper integration with local industrial chains, logistics infrastructures, and regulatory environments, Chinese companies are forming differentiated competitive advantages in international markets.

Entry Barrier, Threats and Challenges Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Closed-road Scenarios

China’s autonomous driving solutions for commercial vehicles industry in closed-road scenarios face three primary barriers: scenario access, operational deployment, and integrated delivery. The scenario access barrier involves limited access to concentrated areas like ports and industrial zones, necessitating partnerships and adherence to local standards. The operational deployment barrier requires stable, high-frequency operations, with proven reliability from real-world data. Finally, the integrated delivery barrier demands seamless coordination of autonomous trucks, dispatch systems, and digital platforms, requiring strong integration and execution capabilities across multiple logistics hubs. Although closed-road environments are relatively structured, cross-site replication remains a key challenge. Each seaport, border crossing or industrial zone involves distinct infrastructure layouts, operational workflows and digital systems, requiring scenario-specific system adaptation and deployment adjustments.

Competitive Landscape of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Closed-road Scenarios

In 2025, our Company ranked the fourth in the China’s autonomous driving solutions for commercial vehicles in closed-road scenarios by revenue. The following chart illustrates the comparison of major autonomous driving solutions for commercial vehicles in closed-road scenarios providers in China:

Comparison of Major Autonomous Driving Solutions for Commercial Vehicles in Closed-road Scenarios Providers (China)

Company	Our Company	Company E	Company F	Company G	Company H
Maximum Design Speed ¹	35 km/h	35 km/h	35 km/h	<30 km/h	35 km/h
Main Vehicle Energy Type	Diesel Trucks, Electric Trucks, Hydrogen Fuel Cell Trucks, Natural Gas Trucks	Electric Trucks	Electric Trucks	Diesel Trucks, Electric Trucks	Electric Trucks, Hydrogen Fuel Cell Trucks, Natural Gas Trucks
Maximum Operating Speed ²	35 km/h	35 km/h	≤30 km/h	≤20 km/h	≤30 km/h
Single-Vehicle Positioning Accuracy ³	±3 cm	±2-3 cm	±3-5 cm	±3-5 cm	±3-5 cm

Source: Industry expert interviews, Websites of the comparable companies, Frost & Sullivan

INDUSTRY OVERVIEW

Notes:

1. The industry average for maximum design speed is 20-30 km/h.
2. The industry average for maximum operating speed is 25-30 km/h.
3. The industry average for single-vehicle positioning accuracy is ± 5 -10 cm.
4. Company E, founded in 2015 and headquartered in Shanghai, China, is an unlisted technology enterprise focusing on artificial intelligence and autonomous driving technologies. Its primary businesses include intelligent vehicles, multi-modal transportation and scenario-based smart solutions, mainly applied in logistics and industrial environments.
5. Company F, founded in 2020 and headquartered in Zhejiang, China, is an unlisted technology company dedicated to the R&D and implementation of autonomous driving technologies in scenario-specific logistics. It mainly provides autonomous driving solutions for large-scale industrial logistics.
6. Company G, founded in 2016 and headquartered in Beijing, China, is an unlisted technology company specializing in autonomous driving technologies. It provides autonomous vehicle solutions such as tractors, shuttle buses and logistics vehicles for scenarios including airports and chemical industrial zones.
7. Company H, founded in 2021 and headquartered in Shanghai, China, is an unlisted company focused on autonomous driving technologies and the application of artificial intelligence. Its main businesses include autonomous horizontal transport solutions, remote control platforms and fleet & equipment dispatch management systems, with applications in ports, and industrial zones.

OVERVIEW OF CHINA’S AUTONOMOUS DRIVING SOLUTIONS FOR COMMERCIAL VEHICLES INDUSTRY IN LONG-HAUL LOGISTICS

Overview of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Long-Haul Logistics

China’s autonomous driving solutions for commercial vehicles in long-haul logistics are rapidly emerging as a core component of the intelligent freight ecosystem. This sector focuses on the deployment of autonomous driving heavy trucks on open roads, particularly intercity and expressway routes, providing efficient solutions for high-frequency, structured freight scenarios such as express delivery, less-than-truckload (LTL) logistics, and long-haul cargo transport. These routes are characterized by predictable traffic, fixed routes, and repetitive tasks, creating ideal conditions for the large-scale deployment of autonomous trucks. At present, L4 autonomous driving solutions in long-haul logistics remain at the testing and pilot stage and have not yet achieved large-scale commercial operation.

The rapid technological progress in this sector has been closely supported by national and local policies, infrastructure development, and industry standards. In September 2021, Shandong Province completed the longest intelligent expressway at the time in China, laying the foundation for long-haul autonomous driving operations. In 2023, the industry launched fleet-based autonomous bulk transport solutions, pioneering the “1+N” fleet model and issuing the first official fleet testing permit in China. In February 2024, Beijing initiated the first cross-province commercial operation of L4 autonomous trucks on the Jing-Jin-Tang expressway, marking the formal beginning of large-scale cross-regional deployment. In May 2024, the Beijing Intelligent Connected Vehicle Policy Pilot Zone issued fleet testing permits to multiple industry players, while the Beijing-Tianjin-Hebei region simultaneously released technical standards for vehicle-road collaborative infrastructure, providing both policy and technical support for industrial development. The market for autonomous driving solutions for commercial vehicles in long-haul logistics is expected to begin large-scale development in 2027, driven by the improvement of national policies and access regulations. The market size by revenue is expected to increase from RMB1.2 billion in 2026 to approximately RMB52.7 billion in 2030 at a CAGR of 158.5%.

INDUSTRY OVERVIEW

Market Drivers and Developing Trends Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Long-Haul Logistics

Accelerated Policy Innovation and Regulatory Framework Development

China is rapidly advancing a multi-tiered regulatory and infrastructure framework to support the deployment of autonomous heavy trucks in long-haul logistics scenarios, particularly expressways. In 2023, this policy momentum was reinforced with the release of the “Notice on Piloting Admission and Road Access for Intelligent Connected Vehicles” (《關於開展智能網聯汽車准入和上路通行試點工作的通知》). This notice explicitly allows L3 and L4 vehicles to participate in road access pilots, directly facilitating the deployment of autonomous driving solutions for trucks in key logistics corridors. By 2024, demonstration zones have become a vital regulatory bridge, enabling real-world validation of technologies and business models. Provinces and municipalities such as Beijing, Hebei, Inner Mongolia, and Jiangsu are opening up designated highway sections for mixed-autonomy convoys, while also introducing technical standards to guide scaled deployment.

Infrastructure Development and the Rise of Vehicle-Infrastructure-Cloud Integration

With the ongoing intelligent transformation of China’s expressway network, an increasing number of long-haul logistics corridors are becoming equipped to support vehicle-infrastructure-cloud integration, laying the foundation for the large-scale deployment of autonomous driving solutions. By distributing intelligence across vehicles, roadside infrastructure, and cloud platforms, the system optimizes fleet efficiency, reduces the computational burden on individual vehicles, and enables dynamic, cloud-supported operational control. Moreover, it provides a regulatory-aligned deployment pathway, ensuring infrastructure-supported safety assurance, operational transparency, and supervised adoption.

Declining Costs and Business Model Innovation Accelerate Commercialization

With the increasing localization and mass production of critical components such as LiDAR sensors, domain controllers, and computing platforms, the total system cost of autonomous trucks is steadily declining, creating favorable conditions for large-scale commercialization. In this context, the standardized production model has emerged as a pivotal pathway, offering clear advantages over traditional retrofit solutions. By integrating autonomous driving solutions directly during vehicle manufacturing, costs of autonomous driving system can be reduced by 20% to 30%, while improving system integration, ensuring consistent vehicle performance, and enabling reliable mass production. At the same time, business models are evolving from purely asset-heavy operations to hybrid frameworks that combine integrated vehicle and system sales with platform-based value-added services, including remote operations, predictive maintenance, and fleet management software. This shift not only accelerates market expansion for solution providers but also creates sustainable, recurring revenue streams.

Entry Barrier, Threats and Challenges Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Long-haul Logistics

China’s long-haul autonomous driving solutions face three main barriers: policy and permission barriers, requiring highway access and cross-regional pilot approvals; operational barriers, involving long-haul logistics across provinces and mixed traffic, demanding real-world validation; and mass production barriers, from shifting to full vehicle-level integration, requiring industrialization and collaboration with manufacturers. Despite policy support and improvements in intelligent highway infrastructure, commercialization of long-haul autonomous trucking remains challenging due to slow pilot progress, cross-regional coordination, and the difficulty of scaling standardized production without alignment among manufacturers, supply chains, and market adoption.

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Competitive Landscape of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Long-haul Logistics

As of May 2025, six companies have obtained a total of 26 road freight testing permits within the Beijing High-Level Autonomous Driving Demonstration Zone. Established in September 2020, this zone is recognized as the world’s first cloud-controlled, intelligent connected-vehicle-based autonomous driving pilot area. As of May 2026, our Company has deployed a total of 39 testing vehicles across long-haul logistics testing zones in Beijing — Tianjin — Hebei, Inner Mongolia, and Xinjiang.

Comparisons of Major Autonomous Driving Solutions for Commercial Vehicles in Long-haul Logistics Providers (China)

Company	Our Company	Company I	Company J	Company K
Year of Establishment	2017	2021	2020	2016
Number of Vehicles Participating in Testing	4	8	2	4
Number of Single-testing Vehicles²	2	2	2	2
Individual Vehicle Driving Mileage (km)	19,863.5	6,177.1	9,353.7	55,116.1
Number of Fleet Testing Vehicles³	2	6	N/A	2
Fleet Testing Mileage (km)	20,307.9	42,788.6	N/A	35,886.3
Disengagements per 10,000 km (times)⁴	1.22	17.8	119	2.26

Source: Industry expert interviews, Websites of the comparable companies, Society of Automotive Engineers of China, Frost & Sullivan

Notes:

1. All data referenced above are derived from long-haul logistics autonomous driving test results within the Beijing High-level Autonomous Driving Demonstration Zone. Only data from companies actively participating in the tests are included. The above data is updated as of May 2025.
2. Number of single-testing vehicles refers to the number of individual L4 autonomous heavy trucks deployed and tested by each testing entity in long-haul logistics scenarios.
3. Number of fleet testing vehicles refers to the total number of trucks deployed and tested within a fleet, typically consisting of one L2+ human-driven lead truck guiding multiple L4 autonomous follower trucks.
4. Disengagements per 10,000 km measure the frequency of human interventions required during autonomous driving tests; lower values indicate higher system stability and reliability.
5. Company I, founded in 2021 and headquartered in Inner Mongolia, China, is an unlisted technology company dedicated to the R&D and commercialization of L4 autonomous driving technologies. Its main business focuses on autonomous driving solutions for heavy-duty trucks in long-haul logistics scenarios.
6. Company J, founded in 2020 and headquartered in Anhui, China, is an unlisted technology company focused on new energy heavy trucks and intelligent driving solutions. Its core products include intelligent new energy heavy trucks, autonomous driving systems, and battery-electric technologies.
7. Company K, founded in 2016 and headquartered in Guangdong, China and listed on the Nasdaq Stock Market in 2024 and the Hong Kong Stock Exchange in 2025, focuses on the research, development and commercialization of autonomous driving technologies. Its main businesses include robotaxi, robotruck and personally owned vehicles (POV) autonomous driving solutions.

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OVERVIEW OF CHINA’S AUTONOMOUS DRIVING SOLUTIONS FOR COMMERCIAL VEHICLES INDUSTRY IN URBAN LOGISTICS

Introduction of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Urban Logistics

As China accelerates the development of smart cities, urban logistics — an essential component of urban infrastructure — is entering a critical stage of intelligent transformation, with autonomous commercial vehicles at the center of this shift. Designed to meet the high-frequency, time-sensitive, and cost-efficient demands of urban delivery, especially in scenarios such as express delivery and cold-chain logistics, commercial vehicles equipped with autonomous driving technology leverage advanced AI algorithms, multi-sensor fusion, and intelligent decision-making systems to operate safely and efficiently in complex urban environments. At present, the market for L4 autonomous driving solutions in urban logistics— particularly for short- to medium-distance transportation—remains in an early stage of development and has yet to achieve large-scale commercial operation. As technology matures and the industrial chain develops, the average selling prices of autonomous driving delivery vans have been steadily declining, reaching as low as RMB30,000–50,000 per unit in 2025, which is driving rapid growth in the market for autonomous driving solutions in urban logistics. The market size by revenue is expected to increase from RMB3.4 billion in 2026 to approximately RMB47.0 billion in 2030 at a CAGR of 92.2%.

Market Drivers and Developing Trends Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Urban Logistics

Acceleration of Scenario Deployment

With the continuous advancement of autonomous driving technology, autonomous commercial vehicles are gradually being piloted in open-road urban logistics scenarios. Deployment in specific use cases such as cold chain delivery, express delivery, and nighttime restocking is accelerating. Although these scenarios involve complex and dynamic traffic conditions, the rapid development of urban digital infrastructure is supporting wider adoption of autonomous commercial vehicles in “last-mile delivery” and “short- to medium-distance distribution”. At the same time, innovative regulatory frameworks such as pilot zones and data-sharing platforms are lowering adoption barriers, facilitating technology validation and optimization, and paving the way for broader deployment.

Strengthening Policy Guidance and Establishing Standards

The Chinese government has introduced a comprehensive set of policies and supportive measures to accelerate the commercialization of autonomous driving technologies. For example, as of 2025, China has established 17 national-level autonomous driving pilot zones, 7 intelligent connected vehicle demonstration zones, and 20 pilot cities for the vehicle-road-cloud integration program, creating a robust foundation of real-world environments for technology validation, scenario testing, and early-stage deployment. Building upon these physical testing grounds, the policy system in China is evolving from supporting pilot demonstrations to enabling large-scale, standardized, and replicable commercialization paths — laying the groundwork for a nationwide intelligent logistics transformation.

Technological Innovation

The deep integration of cutting-edge technologies — such as AI, world models, V2X communication, and edge computing — is driving major breakthroughs in autonomous driving solutions for commercial vehicles in urban logistics. These technological advancements are building a robust foundation for the large-scale deployment of autonomous commercial vehicles in urban logistics and accelerating the industry’s transition toward higher levels of intelligence and automation.

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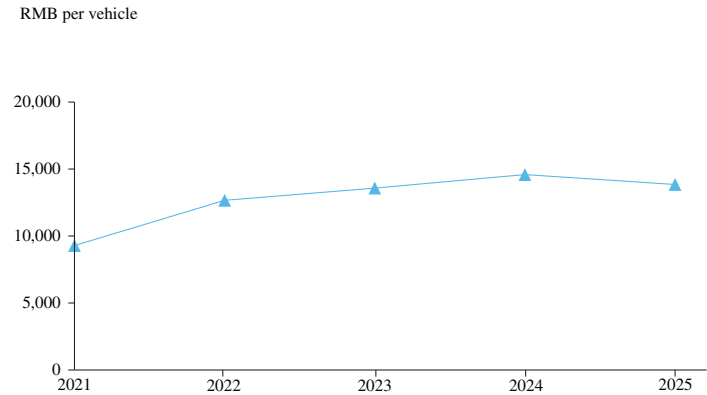
Entry Barrier, Threats, and Challenges Analysis of China’s Autonomous Driving Solutions for Commercial Vehicles Industry in Urban Logistics

China’s autonomous driving solutions for commercial vehicles in urban logistics face three main barriers: urban scenario adaptation, requiring advanced perception and decision-making in dense traffic; vehicle-infrastructure-cloud integration, needing coordination with roadside infrastructure, V2X, and cloud platforms; and city-level deployment, involving local testing standards, safety protocols, and regulatory approvals. Despite policy support and expanding 5G coverage, adoption remains limited by slow urban infrastructure digitalization, coordination challenges, and the need for stable performance in complex, high-frequency delivery scenarios.

RAW MATERIAL ANALYSIS

The autonomous driving computing unit (ADCU) is the core hardware enabling perception, decision-making, and control in autonomous trucks. Its main components are high-performance SoC and MCU chips, which account for the bulk of ADCU costs. The global average selling price of the core chipset rose from 2021 to 2024 due to global semiconductor shortages and the adoption of next-generation high-performance SoCs. In 2025, the average selling price of core chipset in ADCU fell slightly by 5.1% as chip production scaled up and supply recovered. Looking ahead, further technology maturation and production scaling are expected to drive gradual cost reductions, making ADCUs more affordable and supporting broader adoption of autonomous driving solutions.

Average Price of Core Chipset in ADCU (Global), 2021-2025



Source: Industry expert interviews, Frost & Sullivan

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Our business operations are based in the PRC. We have been and will continue to be governed by various PRC laws, rules and regulations. This section provides an overview of the PRC laws, regulations and rules which may impact key aspects of our business.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities and Listing of Domestic Companies

On February 17, 2023, upon approval by the State Council, the China Securities Regulatory Commission (the “**CSRC**”) released the Trial Administrative Measures of Overseas Securities and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “**Trial Administrative Measures**”) and several supporting guidelines, which came into effect on March 31, 2023. The Trial Administrative Measures significantly reformed the regulatory system of the direct or indirect offering of securities and listing by PRC domestic enterprises in overseas markets to a filing system.

According to the Trial Administrative Measures, (i) Domestic enterprises seeking direct or indirect overseas listings must complete filing with the CSRC; non-compliance may result in administrative penalties (fines for enterprises: RMB1 million-RMB10 million; warnings/fines for liable parties); (ii) Joint stock companies must file with the CSRC within 3 business days after submitting overseas listing applications; (iii) Prohibited listing scenarios include endangering national security, controlling shareholders/actual controllers having committed crimes (e.g., corruption, bribery) in the past 3 years, pending major violation investigations, or material equity disputes.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, Domestic enterprises must obtain approval and file with secrecy authorities before disclosing state secrets or state organ work secrets to overseas entities.

Regulations Relating to the H Share Full Circulation

On November 14, 2019, CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Guidelines for the ‘Full Circulation’**”), which were amended on August 10, 2023. As regulated in the Guidelines for “Full Circulation,” shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for “full circulation” with the CSRC. An unlisted domestic joint stock company may file with the CSRC for “full circulation” at the time of its initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of the H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”).

According to the Measures for Implementation, shareholders who apply for H Share Full Circulation (“**Participating Shareholders**”) shall complete the cross-border transfer registration for conversion of relevant domestic unlisted shares into H Shares before dealing in the shares, i.e., CSDC as the nominal holder, deposits the relevant securities held by Participating Shareholders at

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China Securities Depository and Clearing (Hong Kong) Company Limited (“CSDCHK”), and CSDCHK will then deposit the securities at in its own name, and exercise the rights to the securities issuer, while Nominees as the ultimate nominal shareholder will be listed on the register of shareholders of H-share listed companies.

REGULATIONS AND POLICIES RELATING TO THE AUTONOMOUS DRIVING AND INTELLIGENT CONNECTED VEHICLE INDUSTRY

Regulations and Industry Development Policies Relating to the Autonomous Driving and Intelligent Connected Vehicle Industry

On December 27, 2017, the Ministry of Industry and Information Technology of the People’s Republic of China (the “MIIT”), the Ministry of Transport of the People’s Republic of China (“MOT”) and the National Standardization Administration jointly released China’s intelligent connected vehicle standard system — the Guidelines for the Construction of the National Connected Vehicle Industry Standard System (Intelligent Connected Vehicles) (MIIT Lianke (2017) No. 322) (《國家車聯網產業標準體系建設指南(智慧網聯汽車)》)(工信部聯科[2017]332號), as amended on July 18, 2023, which make a systematic plan and deployment for China’s intelligent connected vehicle standard system and established the Intelligent Connected Vehicles Sub technical Committee of the National Automotive Standardization Technical Committee, coordinate the construction of the standard system for intelligent connected vehicles. Moreover, according to the construction method of the technical logical structure and product physical structure of intelligent connected vehicles, taking into account different functional requirements, product and technology types, and information flow between various subsystems, the Guidelines for the Construction defines the standard system framework of intelligent connected vehicles as four parts: “Foundation”, “General Specifications”, “Product and Technology Applications”, and “Relevant Standards”.

The Industrial Development Action Plan on Internet of Vehicles (Intelligent Connected Vehicle) (《車聯網(智能網聯汽車)產業發展行動計劃》), issued and implemented by the MIIT on December 25, 2018, provides the speeding up of the joint development and achievement transformation of perception devices, such as vehicle vision systems, laser/millimeter wave radars, multi-domain controllers, and inertial navigation, and acceleration of the development of key components such as smart vehicle terminals and vehicle-level chips, and promote the industrial application of new-generation artificial intelligence, high-precision positioning and dynamic maps in intelligent networked vehicles.

As one of the priority basic general standards proposed in the guidelines for the construction of the standard system, the Taxonomy of Driving Automation for Vehicles (《汽車駕駛自動化分級》) was promulgated by the State Administration for Market Regulation and the National Standardization Administration on August 20, 2021 and became effective on March 1, 2022, which refers to the corresponding standard of Society of Automotive Engineers, and stipulates that the standards for autonomous driving can be divided into: Level 0 (emergency assistance), Level 1 (partial driver assistance), Level 2 (combined driver assistance), Level 3 (conditionally automated driving), Level 4 (highly automated driving) and Level 5 (fully automated driving). Specifically, Level 4 mainly requires that the driving automation system be able to automatically implement the minimum risk strategy when the relevant event occurs and the user does not respond to the intervention request.

Moreover, on February 10, 2020, the Strategies for the Innovative Development of Intelligent Vehicles (《智慧汽車創新發展戰略》) was promulgated by the National Development and Reform Commission (“NDRC”), the Office of the Central Leading Group for Cyberspace Affairs, the Ministry of Science and Technology of the People’s Republic of China (the “MOST”) and other eight ministries and commissions. It stipulates that, by 2025, the technological innovation, industrial ecology, infrastructure, regulations and standards, product supervision and cyber security systems for intelligent vehicles with Chinese standards shall be basically formed. Large-scale

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production shall be reached for intelligent vehicles with conditions for autonomous driving, and market-oriented application of intelligent vehicles featured by highly autonomous driving shall be realized under specific environment. Active progress has been made in the construction of facilities concerning intelligent transportation systems and intelligent cities. Regional coverage shall be realized for automotive wireless communications networks (LTE-V2X, etc.). A new generation of automotive wireless communications networks (5G-V2X) shall be gradually applied in some cities and on highways. Full coverage of the high-precision spatio-temporal reference service network shall be realized.

In January 2022, the Ministry of Transport and the Ministry of Science and Technology jointly issued the Outline for the Mid- to Long-Term Development of Technological Innovation in the Transportation Sector (2021–2035) (《交通領域科技創新中長期發展規劃綱要(2021-2035年)》), outlining initiatives to promote the development and large-scale application of autonomous driving technology.

Regulations Relating to the Road Testing of Intelligent Connected Vehicles

The MIIT, the Ministry of Public Security of the People’s Republic of China (the “MOPS”) and the Ministry of Transport jointly issued the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) on July 27, 2021, which became effective on September 1, 2021. Any entity intending to conduct road testing of autonomous driving vehicles shall apply to the traffic management department of the public security organ for a temporary license plate for each tested motor vehicle through the evidence (including materials such as self-declaration on the road testing safety of the road testing subject (the intelligent connected vehicle) confirmed by the relevant competent authority) and vouchers required by the Provisions on the Registration of Motor Vehicles. To obtain the above-mentioned evidence and temporary license plate, according to the Rules for the Administration of the Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation), the subject under road testing, the vehicle under road testing, and the driver under road testing must satisfy relevant requirements. On February 28, 2026, the MPS promulgated the Specifications for Road Testing and Demonstration Application of Intelligent and Connected Vehicles for Road Traffic (《智能網聯汽車道路測試與示範應用安全通行規範》) (the “Specifications”), which will become effective on July 1, 2026. Road tests of intelligent connected vehicles at Level 3 (Conditional Automated Driving) and Level 4 (Highly Automated Driving) shall all comply with the Specifications.

On July 30, 2021, the MIIT promulgated the Opinions of the Ministry of Industry and Information Technology on Strengthening the Administration of the Access of Intelligent Connected Vehicle Manufacturers and Products (《工業和信息化部關於加強智能網聯汽車生產企業及產品准入管理的意見》), which provides that enterprises should strengthen data security management ability and network security guarantee ability, strengthen management ability and ensure product production consistency.

The MIIT, the MOPS, the Ministry of Housing and Urban-Rural Development, and the Ministry of Transport jointly promulgated the Notice of Implementing the Pilot Program of Access and On-Road Traffic of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》) (the “2023 Pilot”), which took effect on the same day. Pursuant to the 2023 Pilot, vehicle manufacturers are eligible for carrying out on-road testing for intelligent connected vehicles equipped with autonomous driving functions (referred to as Level 3 autonomous driving function (conditionally automated driving) and Level 4 autonomous driving function (highly automated driving) as provided in the Taxonomy of Driving Automation for Vehicles) and ready for mass production in restricted areas only after passing the product testing and safety assessment conducted by the relevant authorities and obtaining the access approvals from the MIIT.

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On November 21, 2023, the Ministry of Transport issued the Guidelines on Transportation Safety Services for Autonomous Vehicles (for Trial Implementation) 《自動駕駛汽車運輸安全服務指南(試行)》, which provides relevant guidance for vehicles which are capable of performing all dynamic driving tasks under designed operating conditions according to relevant national standards and have obtained the access approvals from the MIIT, including but not limited to, requirements for application scenarios, operators of autonomous vehicles, safety and security, supervision and overall management.

The Technical Requirements for the Construction of Closed Test Sites for Autonomous Driving (《自動駕駛封閉測試場地建設技術要求》) (GB/T 43119-2023) was released on September 7, 2023 and came into effect on January 1, 2024, with the National Technical Committee 268 on Intelligent Transport Systems of Standardization Administration of China as the focal point and the National Standardization Administration as the competent authority, and the aforesaid national standard stipulates the general requirements for closed test sites for autonomous driving, road body, plane intersection, traffic setup, and requirements for supporting test facilities and supporting service facilities, and applies to the planning, design and construction of test sites required for large, medium, small and micro passenger vehicles and heavy, medium, light and micro cargo vehicles to carry out automated driving closed site tests.

The Guidance on Promoting the Development and Application of Autonomous Driving Technologies in Road Traffic (《交通運輸部關於促進道路交通自動駕駛技術發展和應用的指導意見》) was issued by the Ministry of Transport on December 2, 2020 and implemented on December 20, 2020, which stipulates the promotion of the pilot and demonstration application of automated driving technologies for autonomous driving vehicles in closed-road scenarios, especially supporting the autonomous driving for cargo transportation services. Demonstration applications of autonomous driving for cargo transportation aligning with operational needs are encouraged in relatively closed-road scenarios, such as ports, airports, logistics stations, transportation infrastructure construction sites, and terminal postal services, express delivery and other scenarios.

The Road Traffic Safety Law (Revised Proposal Draft) (《道路交通安全法(修訂建議稿)》) was promulgated by the Ministry of Public Security on March 24, 2021, which stipulates that vehicles with autonomous driving functions should pass road testing on closed roads and venues, obtain a temporary driving license, and conduct road testing at designated times, areas, and routes according to regulations. Those who have passed the test and are allowed to be produced, imported, or sold in accordance with the law, and those who need to travel on the road shall apply for a motor vehicle license plate. On April 29, 2021, the SCNPC promulgated the updated Road Traffic Safety Law (《道路交通安全法》). As of the Latest Practicable Date, the aforementioned provisions of the Road Traffic Safety Law (Revised Proposal Draft) have not been formally adopted.

REGULATIONS RELATED TO ROAD TRANSPORTATIONS

According to the Regulations on Road Transportation of the PRC (《中華人民共和國道路運輸條例》) promulgated by the State Council on April 30, 2004 and most recently amended on January 30, 2026, and the Provisions on Administration of Road Freight Transportation and Stations/sites (《道路貨物運輸及站場管理規定》) issued by the Ministry of Transport of the PRC (the “MOT”) on June 16, 2005 and last amended on February 6, 2026, enterprise that engaged in freight transportation business shall obtain the Road Transportation Operation Permit and conduct freight transportation business within the scope of the Road Transportation Operation Permit. Enterprise engaged in freight transportation business in the absence of such permits shall be ordered to stop operation by competent road transportation authorities and be subject to administrative penalty. There is currently no standalone, specialized national regulation in force in China that specifically and comprehensively governs road transportation activities within port areas or port-land interfaces. In addition, the mining scene business that the company plans to carry out in the future will also be managed by the Ministry of Natural Resources.

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LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》), the “**FIL**”), which was promulgated on March 15, 2019 and became effective on January 1, 2020, and the Implementing Regulations of the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法實施條例》), which was promulgated in December 2019 and became effective on January 1, 2020, are the principal laws and regulations governing foreign investment in the PRC.

According to the FIL, China has implemented a reform of the foreign investment management system, whereby China applies the management system of pre-establishment national treatment and the Negative List for foreign investment. The Negative List will be issued, modified or published upon approval by the State Council from time to time. Foreign investors shall not invest in the prohibited fields as specified in the Negative List, and foreign investors who invest in the restricted fields as specified in the Negative List shall comply with the special management measures for restrictive access under the Negative List. For fields other than the prohibited and restricted investment fields stipulated in the Negative List, management shall be conducted under the principle of consistency for domestic and foreign investment. Foreign-invested enterprises established before the implementation of the FIL may maintain their respective original form of enterprise organization for a period of five years from January 1, 2020. The Group provides L4 autonomous truck solutions in the PRC. The actual business scope of the issuer and domestic companies, do not involve fields prohibited or restricted under the Negative List for foreign investment, and such business is categorized under “Automobile Manufacturing Industry” in the Catalogue of Industries Encouraging Foreign Investment (2025 Version) which will not influence this issuance and listing.

On December 30, 2019, the Ministry of Commerce of the PRC and the State Administration for Market Regulation (“**SAMR**”), jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

The Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) was promulgated by NDRC and MOFCOM on December 19, 2020 and became effective on January 18, 2021. China has established a working mechanism for conducting security reviews of foreign investment, which is responsible for organizing, coordinating, and guiding such reviews.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT MANAGEMENT

Foreign Trade

According to the Foreign Trade Law of the People’s Republic of China (《中華人民共和國對外貿易法》) (the “**Foreign Trade Law**”) promulgated by the Standing Committee of the National People’s Congress (“**SCNPC**”) on May 12, 1994 and last amended on December 27, 2025, which became effective on March 1, 2026, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

The Customs Law

According to the Customs Law of the People’s Republic of China (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021, and became effective on the same date, the customs of the People’s Republic of China is the state’s entry and exit customs supervision and administration authority. In accordance with the relevant laws and administrative regulations, the customs are responsible for the supervision of the

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transport vehicles, goods, luggage, postal items and other items entering into and departing from the PRC, collecting tariff and other duties and charges, investigating and suppressing smuggling, and preparing customs statistics and conducting other customs affairs. Pursuant to the Administrative Provisions of the Customs of the People’s Republic of China on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) that was promulgated by the General Administration of Customs on November 19, 2021 and became effective on January 1, 2022, customs declaration entities refer to the consignees, consignors of goods imported or exported and customs declaration enterprises filed with the customs. Where the consignee or consignor of goods imported or exported or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY AND TORT LIABILITY

Product Quality

According to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993, and was amended and became effective on July 8, 2000, August 27, 2009 and December 29, 2018, respectively, the product quality supervision and administration departments of the State Council are responsible for the supervision of product quality of the whole country. Manufacturers and sellers should establish an internal product quality management system, strictly implement quality specifications for posts. All relevant departments of the State Council shall be responsible for the supervision of product quality within their own functions and duties. The local market supervision and administration departments at the county level and above shall be responsible for the supervision of product quality in the relevant administrative regions. The relevant departments of the local people’s governments at the county level and above shall be responsible for the supervision of product quality within their respective scope of duties.

Tort Liability

Pursuant to the “Civil Code of the People’s Republic of China” (《中華人民共和國民法典》) (the “**Civil Code**”) issued by the National People’s Congress on May 28, 2020 and entered into force on January 1, 2021, if defective products are identified after they have been put into circulation, the manufacturers and the sellers shall take remedial measures such as stopping of sales, issuance of a warning, recall of products, etc. in a timely manner. If the damage is caused by a defective product or if the manufacturer or the seller fails to take remedial measures in a timely manner, the aggrieved party may claim compensation from the manufacturer or the seller of such product. Where a defect is caused by the fault of the seller, the manufacturer who has paid compensation has the right to indemnification against the seller. Where any manufacturer or seller knowingly produces or sells defective products or fails to take remedial measures in a timely manner and thus causes death or serious damage to the health of another person, such person shall be entitled to claim, in addition to compensation for loss, punitive damages.

LAWS AND REGULATIONS RELATING TO CYBER SECURITY, PROTECTION OF PERSONAL INFORMATION AND DATA SECURITY

Regulations Relating to Cyber Security

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the People’s Republic of China (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”), which was amended on October 28, 2025, and became effective on January 1, 2026. The Cyber Security Law highlights that any individual or organization shall not endanger cyber security, or engage in any illegal activities that, by making use of the network, endanger the national security, economic order and social order, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. Any internet information service provider that violates any provision or requirement in the Cyber Security Law may be subject to warnings, confiscation of illegal income, fines, revocation of business permits or licenses, closure of websites, and even criminal liability.

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On December 28, 2021, the Cyberspace Administration of China (the “CAC”) issued the revised Measures for Cyber Security Review (《網絡安全審查辦法》) (the “**Revised CAC Measures**”), which became effective on February 15, 2022 and replaced the Measures for Cyber Security Review promulgated on April 13, 2020. According to Article 7 of the Revised CAC Measures, any network platform operator with personal information of more than one million users shall apply to the Cyber Security Review Office for cyber security review prior to listing abroad.

In accordance with the Revised CAC Measures, we are not applicable to the declaration of cyber security review, on the basis that: (i) Based on the consultation with China Cybersecurity Review, Certification and Market Regulation Big Data Center (the agency entrusted by the Cyber Security Review Office to carry out the specific work of cyber security review), Hong Kong is not included in the definition of “abroad” hereof and [REDACTED] in Hong Kong is not in the scope of “[REDACTED] abroad”, which is not required to apply for cyber security review; (ii) We have not been identified as a critical information infrastructure operator or network platform operator, nor have we received any notification regarding the identification of network facilities and information systems as critical information infrastructure, nor have we received any notification from regulatory agencies such as national or local cyberspace authorities requiring the fulfillment of network security review obligations; (iii) We have not received any inquiries, notifications, warnings or penalties from the national or local cybersecurity and information technology commission office or certification center regarding network security review.

Regulations Relating to the Protection of Personal Information and Data Security

On August 20, 2021, the Law of the People’s Republic of China on the Protection of Personal Information (《中華人民共和國個人信息保護法》), the “**Personal Information Protection Law**”) was promulgated by the SCNPC and came into effect on November 1, 2021. The Personal Information Protection Law sets forth the lawful circumstances under which personal information processors may process personal information. These circumstances cover obtaining the individual’s consent, performing contracts or statutory duties, responding to emergencies, conducting public interest activities, and other scenarios stipulated by laws and regulations.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was promulgated by the Standing Committee of the National People’s Congress on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law establishes a classified and tiered protection system based on the data’s importance for economic and social development and the degree of harm to national security, public interests, or the legitimate rights and interests of individuals and organizations if the data are tampered with, destroyed, divulged, or illegally acquired or used. In violation of the Data Security Law, the relevant entity or person may be ordered to make corrections, given a warning, subject to fines, suspension of operations, revocation of relevant business permits or licenses, or even subject to criminal liabilities.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》) (the “**Network Data Security Regulations**”), which came into effect on January 1, 2025. The Network Data Security Regulations harmonized the current legislation on cybersecurity and data protection on an administrative regulation level, covering a wide range of topics, including without limitation personal information processing, important data security, regulations on network security products and services, incident report obligations, cross-border data transfer, the responsibilities of internet platform providers.

The Several Provisions on Administration of Automobile Data Security (For Trial Implementation) (《汽車數據安全管理若干規定(試行)》) (the “**Provisions on Automobile Data Security**”) was jointly promulgated by the CAC, the MIIT and other government authorities on August 16, 2021 and became effective on October 1, 2021. In accordance with the Provisions on Automobile Data Security, automobile data include both personal information and important data involved in the process of automotive design, production, sales, use, operation and maintenance. “Important data” means data that may endanger national security, public interest, the legitimate

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rights and interests of individuals and organizations once tampered with, destroyed, divulged, or illegally acquired or used. Automobile data processors are defined as entities that carry out automobile data processing activities, including automobile manufacturers, components and parts and software suppliers, dealers, maintenance organizations, and mobility service enterprises. They shall carry out automobile data processing activities (including the collection, storage, use, processing, transmission, provision, and disclosure of automobile data) in accordance with the Provisions on Automobile Data Security. The automobile data processors shall carry out risk assessments for their important data processing activities and submit a report to relevant government authorities.

LAWS AND REGULATIONS RELATING TO GENERATIVE ARTIFICIAL INTELLIGENCE SERVICES AND SURVEYING AND MAPPING ACTIVITIES

Regulations Relating to Generative Artificial Intelligence Services

On July 10, 2023, the CAC, along with several other departments, issued the Interim Measures for the Management of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》, the “Generative AI Measures”), which became effective on August 15, 2023. The Generative AI Measures impose compliance requirements for providers of generative artificial intelligence services to the general public within the territory of PRC, including without limitation, (i) carry out pre-training, optimization training, and other training data processing activities in accordance with the law and provisions, (ii) assume responsibility as a producer of online information content in accordance with the law and fulfill online information security obligations; and (iii) any service providers with attribute of public opinions or capable of social mobilization shall conduct security assessment, and complete the formalities for algorithm filing, change or deregistration in accordance with the relevant regulations.

On March 7, 2025, the CAC, the MIIT, the Ministry of Public Security and the National Radio and Television Administration jointly promulgated the Measures for the Labeling of AI-Generated Synthetic Content (《人工智能生成合成內容標識辦法》, the “AIGC Labeling Measures”), which became effective on September 1, 2025. The AIGC Labeling Measures target Internet information service providers that utilize generative AI technologies to provide services or produce information for public dissemination, and require that all AI-generated text, images, audio, video and virtual scenes and other information be clearly identified with both explicit and implicit markings.

On January 13, 2025, the State Council promulgated the Regulation on the Administration of Public Security Video Image Information Systems (《公共安全視頻圖像信息系統管理條例》, the “CCTV Regulation”), which became effective on April 1, 2025. The CCTV applies to the construction, use and administration of “public security video image information systems,” which are systems established through the installation of image-capturing devices and related facilities in public places, which collects, transmits, displays, and stores video image information in public security-related areas. The CCTV Regulation is not directly related to generative artificial intelligence services.

The Company neither provides Internet information services nor utilizes generative AI technologies to offer generative AI services to the public, and the Company does not construct or use public security video image information systems as defined under the CCTV Regulation in public places. Consequently, as advised by our PRC Legal Advisors, neither the Generative AI Measures, AIGC Labeling Measures or the CCTV Regulation apply to the Company’s operations or products. Based on Company’s business model, technical architecture, product offerings and the advice of the PRC Legal Advisors, our Directors are of the view, which is concurred by the Sole Sponsor, that the aforementioned generative AI and public security video regulations are not applicable to the Group’s current business operations.

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Regulations Relating to Surveying and Mapping Activities

On December 28, 1992, the SCNPC promulgated the Surveying and Mapping Law of the People’s Republic of China (《中華人民共和國測繪法》), or the Surveying and Mapping Law, which was last amended on April 27, 2017 and became effective on July 1, 2017. According to the Surveying and Mapping Law, entities that engage in surveying and mapping activities shall meet specific requirements and obtain the necessary qualification certificates of surveying and mapping for corresponding grades. Any entity that engages in surveying and mapping activities without relevant qualification certificate shall be ordered to stop the illegal behavior, and be deprived of unlawful gains as well as surveying and mapping work products. In addition, the entity shall be subject to a fine of not less than the amount of, but not more than twice the amount of, the illegal gains from its surveying and mapping activities. In the event of a serious violation, the surveying and mapping tools shall be confiscated. Any foreign entity or individual engaging in surveying and mapping activities without approval or without cooperation with relevant PRC department or entity, the foreign entity or individual shall be ordered to stop the illegal behavior, and be deprived of unlawful gains, surveying and mapping work products as well as tools. In addition, the foreign entity or individual shall be subject to a fine of RMB100,000 to RMB500,000. In the event of a serious violation, the foreign entity or individual shall be subject to a fine of RMB500,000 to RMB1,000,000 and shall be ordered to leave the country within a specified period or expelled from the country. If constituting a crime, the foreign entity or individual shall be investigated for criminal liability in accordance with applicable laws.

Pursuant to the Notice of the Ministry of Natural Resources on Promoting the Development of Intelligent Connected Vehicles and Maintaining the Security of Surveying, Mapping and Geoinformation (《自然資源部關於促進智能網聯汽車發展維護測繪地理信息安全的通知》) promulgated by the Ministry of Natural Resources on August 25, 2022, after an intelligent connected vehicle is being equipped with a satellite navigation positioning receiving module, inertial measurement unit, camera, laser radar and other sensors, its activities of collecting, storing, transmitting and processing geographic information data such as spatial coordinates, images, point clouds and attributing information of vehicles and surrounding road facilities during operation, service and road testing will be considered as surveying and mapping activities under the Surveying and Mapping Law. Furthermore, any vehicle manufacturer, service provider or smart driving software provider that needs to engage in the collection, storage, transmission and processing of geographic information data shall obtain the corresponding qualification for surveying and mapping in accordance with the law or entrust an agency with the corresponding qualification for surveying and mapping to carry out the corresponding surveying and mapping activities if it is a domestic enterprise; in the case of a foreign-invested enterprise, it shall entrust an agency with the corresponding qualification for surveying and mapping to carry out the corresponding surveying and mapping activities, and the entrusted agency shall undertake the collection, storage, transmission and processing of geographic information and any other businesses, and to provide geographic information services and support for such foreign-invested enterprise.

On July 26, 2024, the Ministry of Natural Resources promulgated the Notice of the Ministry of Natural Resources on Strengthening the Administration of Surveying, Mapping and Geoinformation Security Relating to Intelligent Connected Vehicles (《自然資源部關於加強智能網聯汽車有關測繪地理信息安全管理的通知》), emphasized various related matters, including the requirement of conducting surveying and mapping activities related to intelligent connected vehicles in accordance with the law, strengthening the management of surveying and mapping activities involving intelligent connected vehicles, strictly managing confidential and sensitive geographic information data, strictly reviewing electronic navigation maps, implementing the requirements for the storage of geoinformation data and cross-border transfer of such data, strengthening the regulation of geoinformation security, encouraging the exploration of geographic information security application, etc.

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LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and revised respectively on February 22, 1993, October 27, 2001, August 30, 2013, and April 23, 2019, and became effective on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and revised on April 29, 2014, and became effective on May 1, 2014, the Trademark Office of the administrative department for industry and commerce under the State Council shall take charge of matters concerning trademark registration and administration in China. Registered trademarks have a 10-year validity period, renewable for additional 10-year terms. Trademark licensing must be recorded with the Trademark Office to be enforceable against bona fide third parties.

Patents

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and revised on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020 respectively, and became effective on June 1, 2021, and the Rules for Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001 and revised on December 28, 2002, January 9, 2010, December 11, 2023, and became effective on January 20, 2024, the patent administration department under the State Council shall be responsible for the patent-related work in China. Three types of patents are available: invention (20-year term), utility model (10-year term), design (15-year term), all calculated from the filing date. Inventions and utility models must be novel, inventive, and practical; designs must not be existing designs.

Copyright and Software Registration

In accordance with the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was promulgated by the SCNPC On September 7, 1990 and amended on October 27, 2001, February 26, 2010, and November 11, 2020, respectively, and became effective on June 1, 2021, Chinese citizens, legal persons, or unincorporated organizations shall, whether published or not, enjoy copyright in their works. According to the Regulations for the Implementation of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002, became effective on September 15, 2002 and was last amended on January 30, 2013, copyright holders shall be entitled to a variety of personal and property rights, including the publication right, the right of signature, the right of reproduction, and the right of information network transmission.

The Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013 respectively, aim to protect the rights and interests of computer software copyright owners, adjust the interests in the development, dissemination and use of computer software, encourage the development and application of computer software, and boost the development of the software industry and the informatization of the national economy.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, which was included in and revised by the Computer Software Protection Regulations which was amended by the State Council on January 30, 2013 and entered into force on March 1, 2013, the National Copyright Administration shall be in charge of the registration and administration of software copyrights nationwide and the China Copyright Protection Center has been recognized as a software registration agency.

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Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, which came into effect on November 1, 2017, the MIIT shall be responsible for the supervision and management of China’s Internet domain name service. Domain name registrations shall be handled through the domain name service agencies established in accordance with the relevant provisions, and the applicants become domain name holders upon successful registration.

Commercial Secret

The Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993 and last amended on June 27, 2025, and became effective on October 15, 2025, defines trade secrets as undisclosed technical or business information with commercial value. Unauthorized acquisition, disclosure, or use of trade secrets is prohibited. The infringers may face administrative penalties.

LAWS AND REGULATIONS RELATING TO LEASING

According to the Administrative Measures for Commercial Housing Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on December 1, 2010, and became effective on February 1, 2011, without the above-mentioned registration, the lessor and the lessee may be imposed a fine by the development (real estate) department. In accordance with the Civil Code, the lessee may, with consent from the lessor, sub-let the leased item to a third party. The lease contract between the lessee and the lessor shall continue to be valid if the lessee sub-lets the leased item. In the event that the lessee sub-lets the leased item without consent from the lessor, the lessor may terminate the lease contract. In addition, any change of ownership to the lease item does not affect the validity of the lease contract.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), which was last amended on April 24, 2014 and became effective on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Environmental Protection is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environmental protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

According to the Environmental Impact Assessment Law of the People’s Republic of China (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and amended on July 2, 2016 and December 29, 2018 respectively, for any construction project that has an impact on the environment, the construction entity concerned is required to prepare either a report or a statement, or fill in a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

The Interim Measures for Environmental Protection Inspection and Acceptance upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures stipulates the procedures and standards for construction entities to carry out independent environmental protection inspection and acceptance upon the completion of construction projects.

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LAWS AND REGULATIONS RELATING TO WORK SAFETY

Under relevant construction safety laws and regulations, including the Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) (the “**Work Safety Law**”), which was promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021, and became effective on September 1, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be established to implement the work safety job responsibility system. In addition, production and operation entities must arrange work safety training and provide the employees with personal protective equipment that meets the national standards or industrial standards.

LAWS AND REGULATIONS RELATING TO FIRE PROTECTION

According to the Fire Protection Law of the People’s Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and latest amended on April 29, 2021, where a construction project subject to fire protection acceptance according to law that has not undergone or failed to pass the fire protection acceptance shall not be put into use; and any other construction project that failed to pass the random inspection conducted under the law shall cease to be used. Violations (unauthorized construction, use without passing review or acceptance, non-cessation after failed inspections) face orders to stop construction/use/suspension of business and fines of RMB30,000-RMB300,000 by housing authorities and fire rescue agencies.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the Foreign Exchange Administration Regulations of the People’s Republic of China (《中華人民共和國外匯管理條例》) which was latest amended in 2008 and various regulations issued by the State Administration of Foreign Exchange and other relevant PRC government authorities, Renminbi is freely convertible for current account items, such as trade-related receipts and payments, interest and dividends. For capital account items, such as direct equity investment, loan or investment return, except for those expressly exempted by laws and regulations, RMB shall not be convertible into foreign currencies which can be remitted to regions outside China unless prior approval from the SAFE or its provincial counterparts is obtained.

Pursuant to the Notice on Issues Concerning Capital Management for Overseas Listing of Domestic Enterprises (關於境內企業境外上市資金管理有關問題的通知), jointly promulgated by the People’s Bank of China and the SAFE on December 26, 2025 and came into effect on April 1, 2026, a domestic enterprise shall complete the registration with the competent banks within 30 working days after the date of its initial overseas listing or the completion of the over-allotment. The proceeds raised may be remitted to the PRC or deposited overseas, provided that the use of funds shall be consistent with the relevant disclosure documents. Domestic shareholders that increase or reduce their overseas shareholdings shall also comply with the relevant registration and account management requirements.

LAWS AND REGULATIONS RELATING TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Pursuant to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, latest amended and effective on December 29, 2018, the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and effective on July 1, 2013 and the Regulation on the Implementation of the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and effective on the same date, the employer and each employee shall execute a written labor contract. The wages paid by the employer to each employee shall not be less than the local minimum wage. The employer shall establish an occupational safety and health mechanism, and strictly abide by national standards, and provide employees with relevant education. Employees shall work in a safe and sanitary environment.

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Pursuant to the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》), the Regulations on Work Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》) and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》), and other laws, regulations and rules, an employer shall pay several social insurance premiums on behalf of its employees (including basic pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance and maternity insurance). The relevant fees shall be paid to the local administrative department. Where an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order the payment of such premiums by a specified date or make them up to the full amount, and shall impose a late payment of 0.05% of the unpaid premium on a daily basis from the date of the default payment of such premiums; where such payment is not made after the expiry of that period of time, the relevant administrative authorities shall impose a fine of at least one and not exceeding triple the amount of the unpaid premium. Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and amended on March 24, 2002, and became effective on March 24, 2019, the housing provident fund contributed by an employee and his/her employer for the employee shall be owned by the employee. An employer should undertake registration of payment and deposit of the housing provident fund in the Housing Provident Fund Management Center and open a housing provident fund account for each employee in a commissioned bank after verification by the Housing Provident Fund Management Center. Where an employer fails to register the housing fund contributions or fails to go through the procedures of setting up housing fund accounts for its own employees, it shall be ordered by the Housing Provident Fund Management Center to do so within a certain period of time; where it fails to do so, it shall be subject to a fine of not less than RMB10,000 and not more than RMB50,000. Where an employer fails to pay or underpays the housing provident fund, the Housing Provident Fund Management Center shall order the employer to pay the fund within a certain period of time; where the employer fails to do so, the Housing Provident Fund Management Center may apply to the people’s court for compulsory execution.

The Interpretation (II) on the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was published by the Supreme Court on July 31, 2025 and effective September 1, 2025, clarifies the judicial application of key PRC labor laws in resolving labor disputes, with heightened emphasis on compliance with social insurance contributions. According to the Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law, the People’s Court shall support such claims. Employers who subsequently rectify non-payment may recover any overpaid compensation from employees. The Interpretation further addresses employer liability for wages, work injury benefits, and other statutory obligations in subcontracting, affiliation, or related-entity scenarios; recognition of labor relationships with domestic and foreign workers; requirements for written labor contracts and penalties for non-compliance; rules on contract renewals and conversion to open-ended contracts; enforceability of non-compete clauses; remedies for unlawful termination; pre-termination occupational health examinations for employees in hazardous positions; and standardizing the application of limitation periods in labor dispute proceedings.

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LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax Law

Under the EIT Law, which became effective on January 1, 2008 and was latest amended and implemented on December 29, 2018, a uniform enterprise income tax rate of 25% applies to the income of all resident enterprises and non-resident enterprises that have set up institutions or establishments in the PRC that originates from China or the income derived from the regions outside China, but which have substantial connection with the said institutions or establishments. Enterprises that qualify as “High and New Technology Enterprises” which are strongly supported by China, are entitled to a preferential tax rate of 15%. Pursuant to the Measures for the Administration of Accreditation of High and New Technology Enterprises (《高新技術企業認定管理辦法》) (the “**Accreditation Measures**”) amended in January 2016, the Ministry of Science and Technology of the People’s Republic of China, the Ministry of Finance and the provincial counterparts of the State Taxation Administration determine whether an enterprise qualifies as a “High and New Technology enterprise” under the EIT Law.

Value-added Tax

Pursuant to the Value-added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》), which was promulgated on December 25, 2024 and became effect on January 1, 2026, and the Rules for the Implementation of the Interim Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated on December 25, 1993 and amended on October 28, 2011, and became effective on November 1, 2011, entities or individuals engaging in sale of goods, provision of processing services, repairs and replacement services or importation of goods within the PRC shall pay value-added tax (the “VAT”). The tax payable shall be the balance of output tax for the period after deducting the input tax for the period. In general, the VAT rate is 17% and in some cases, it is 11% or 6%, as the case may be. Pursuant to the Circular of the Ministry of Finance and the State Taxation Administration on the Adjustment of Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which entered into force on May 1, 2018, for general VAT payers’ sales activities or import of goods that are subject to VAT at an existing applicable rate of 17% or 11%, the applicable VAT rate is adjusted to 16% or 10%, respectively. According to Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Policies for Deepening the VAT Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) (Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, No. 39 of 2019), which became effective on April 1, 2019, for general VAT payers’ sales activities or import of goods that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9%, respectively.

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LAWS AND REGULATIONS RELATING TO U.S. EXPORT AND IMPORT CONTROLS

U.S. Export Control

In general, the BIS controls the export, reexport, and transfer (in-country) of commodities, software and technology (collectively, “**Items**”) subject to the *Export Administration Regulations* (the “**EAR**”). Items subject to the EAR include the following:

- (i) All items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another;
- (ii) All U.S. origin items wherever located;
- (iii) Non-U.S.-made commodities that incorporate controlled U.S.-origin commodities, non-U.S.-made commodities that are ‘bundled’ with controlled U.S.-origin software, non-U.S.-made software that is commingled with controlled U.S.-origin software, and non-U.S.-made technology that is commingled with controlled U.S.-origin technology which exceeds a certain threshold (“**De Minimis Rule**”); and
- (iv) Certain non-U.S.-produced “direct products” of specified “technology” and “software”; and certain non-U.S.-produced products of a complete plant or any major component of a plant that is a “direct product” of specified “technology” or “software” (Foreign Direct Product Rule, “**FDP rule**”)

For items subject to the EAR under different circumstances, the scope of control corresponding to the end-user, end-use, destination, etc., may be different and need to be judged on a case-by-case basis. If certain transactions or actions are controlled under the EAR, a license or license exception will be necessary. The EAR administered by the BIS is frequently revised and updated. We have listed the major developments in recent years below for reference. It should be noted that all the following amendments will be incorporated into the EAR upon their effective date.

On October 7, 2022, BIS released an interim final rule (the “**2022 IFR**”) aimed to restrict the PRC’s ability to both purchase and manufacture certain high-end chips used in military applications and build on prior policies, company-specific actions, and less public regulatory, legal, and enforcement actions taken by BIS.

On October 17, 2023, BIS published two interim final rules (the “**2023 IFR**”) designed to update export controls on advanced computing semiconductors and semiconductor manufacturing equipment, as well as items that support supercomputing applications and end-uses, to arms embargoed countries, including the PRC, and to place additional related entities in the PRC on the Entity List. The 2023 IFR reinforced the 2022 IFR controls to restrict the PRC’s ability to both purchase and manufacture certain high-end chips critical for military advantage.

On December 2, 2024, BIS published a new interim final rule (the “**2024 IFR**”) to further impair the PRC’s capability to produce advanced-node semiconductors that can be used in the next generation of advanced weapon systems and in artificial intelligence (AI) and advanced computing, which have significant military applications.

In addition to the restrictions introduced by the IFRs, BIS maintains lists of persons or entities that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons or entities on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons.

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Sanctions Laws and Regulations

Set out below is a summary of the sanctions regimes imposed by the U.S., the United Nations and the European Union.

United States

OFAC is the primary agency responsible for administering U.S. sanctions programs against targeted countries, entities, and individuals. Economic sanctions maintained by the U.S. government could be categorized into “primary” sanctions and “secondary” sanctions. “Primary” sanctions apply to “U.S. persons” or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and “secondary” sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to “block” (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC’s comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, Syria, the Crimea, and the so-called Luhansk People’s Republic and the Donetsk People’s Republic regions. OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. An entity that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) is also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the “UNSC”) can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote nonproliferation.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Target and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Targets.

REGULATORY OVERVIEW

U.S. Outbound Investment Restrictions

In August 2023, former President Biden issued Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern,” (the “Executive Order”). In accordance with the Executive Order, on October 28, 2024, the U.S. Department of the Treasury released new regulations (the “Final Rule”) prohibiting or requiring notification of U.S. outbound investments in certain Chinese-affiliated companies operating in the semiconductor and microelectronics, quantum information technology, and artificial intelligence sectors (“covered foreign persons”). The Final Rule took effect on January 2, 2025. The Final Rule imposes additional diligence responsibilities, record-keeping, and notification requirements and restrictions on U.S. persons and their controlled foreign entities.

Specifically, we are engaged in the development of autonomous driving system which is an AI-enabled closed-loop system that integrates perception, cognition and decision-making, and finally outputs control commands to the vehicle chassis. Such AI systems may be considered as being partly used for the control of robotics systems. Our International Sanctions Legal Advisor is of the view that, while our business activities relating to the development of AI systems intended for use in the control of robotics systems fall within the scope of “covered activities”, such activities do not fall within the activity scope of “prohibited transactions” (each as defined in the Final Rule). This is because such activities are not intended for prohibited end-uses and do not meet the applicable technical thresholds (including quantity of computing power) for prohibited transactions. Accordingly, the acquisition of our shares through the [REDACTED] would not constitute a prohibited transaction under the Final Rule, although U.S. persons would be required to notify the U.S. Department of Treasury of their participation in the [REDACTED] absent an applicable exception.

Besides, a U.S. person’s purchase of certain [REDACTED] securities, such as our H Shares to be [REDACTED] on the Stock Exchange after the [REDACTED], may fall within the Publicly Traded Securities Exception and therefore be neither a prohibited transaction nor a notifiable transaction — provided that such investment does not afford the U.S. person rights beyond standard minority shareholder protections with respect to the covered foreign person.

If the Publicly Traded Securities Exception is not available, U.S. persons (as defined under the Final Rule) that [REDACTED] for our H Shares in the [REDACTED] may be required to file a notification regarding such [REDACTED] with the U.S. Department of the Treasury no later than 30 days after the relevant [REDACTED]. Prospective [REDACTED] should consult their own legal advisers regarding the applicability of the Publicly Traded Securities Exception to the [REDACTED], any notification obligations applicable to them under the Final Rule, and the procedures for making such notifications. Failure to comply with the notification requirements, or the provision of inaccurate or incomplete information in a filing under the Final Rule, may subject the relevant U.S. persons to civil penalties, and, for willful violations, criminal penalties including fines and imprisonment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our Company was founded in the PRC in March 2017. Under the leadership of our founder Mr. Zhang Tianlei, we develop and provide L4 autonomous truck solutions in the PRC. According to Frost & Sullivan, we ranked fourth in autonomous driving solutions for commercial vehicles providers in China in terms of revenue in 2025. In September 2025, we were recognized as a National “Specialized and New” Key Little Giant Enterprise, and we are among the first enterprises in the autonomous trucking sector to receive this accreditation.

Business Milestones

The following table illustrates our major business milestones:

Year	Milestone
2017	Our Company was incorporated in Beijing;
2018	We launched the world’s first autonomous driving electric truck and initiated pilot operation at Tianjin Port;
	We were awarded the nation’s first commercial CIV road testing license;
2019	Our highway self-driving truck application project was selected for the China National Key R&D Program during the 13th Five-year Plan Period of Ministry of Science and Technology;
	We officially initiated China’s first road testing of autonomous truck platooning;
	We partnered with logistics companies to launch road tests and demonstration operations for autonomous trucks in trunk logistics;
2020	We supported the automation upgrade of Tianjin Port’s traditional container terminals, enabling the first fully and regular driverless operation in the industry and establishing the world’s first port autonomous driving demonstration zone;
	We successfully delivered the first batch of driverless electric container trucks at Ningbo-Zhoushan Port Yongzhou Terminal for operation;
2021	We successfully delivered the T-Mover fleet at the intelligent Tianjin Port Terminal C for operation, supporting the launch of the world’s first smart zero-carbon terminal;
	We obtained the initial batch of Beijing’s road test licenses for commercial vehicle autonomous driving and initiated routine L4 testing on highways and public roads;
2022	We were recognized as a Beijing specialized, high-end and innovation-driven SME;
	Our autonomous truck operations have expanded into diverse scenarios including petroleum and bulk terminals, river ports, and border ports in Inner Mongolia;
	We have launched intelligent transportation services for express delivery and bulk freight with leading logistics companies;
	Three of our autonomous driving truck projects for ports and trunk logistics were chosen by Ministry of Transport as inaugural intelligent transportation pilots;

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2023	Our autonomous trucks have achieved 24/7 fully unmanned mixed-traffic operations at Ningbo-Zhoushan Port; Our autonomous trucking operations have expanded into the intelligent short-haul transport in coal mines in the Northwest China;
2024	Our autonomous trucks have been officially granted testing and demonstration permits across Beijing, Tianjin, and Hebei; we have also been granted one of Beijing’s first qualification for intelligent connected heavy-duty truck platooning road test, becoming one of the first companies in China to conduct regular cross-provincial transportation operations using intelligent connected heavy-duty trucks on the Beijing-Tianjin-Tanggu Expressway;
2025	We have been recognized as a National “Specialized and New” Key Little Giant Enterprise; Our autonomous truck business has expanded into overseas markets including Southeast Asia, South America, and the Middle East; We have secured Xinjiang’ first license for road testing and demonstration operations of autonomous trucks; We have officially launched mass production of new energy intelligent heavy-duty trucks for trunk logistics in collaboration with a domestic OEM.

OUR PRINCIPAL SUBSIDIARIES

The following entities were our subsidiaries which we consider material to our operations.

Name	Place of Incorporation	Date of incorporation	Shareholding attributable to our Company	Principal business activities
Shanghai Trunk	PRC	April 2, 2018	100%	Provision of intelligent road freight services business
Tianjin Trunk	PRC	December 14, 2017	100%	Provision of Level 4 autonomous trucks and solutions
Guangxi Intelligent Driving	PRC	March 29, 2022	100%	Providing intelligent network hardware and software solutions
Jiangsu Trunk	PRC	January 5, 2024	100%	Provision of Level 4 autonomous trucks and solutions
Xuzhou Trunk	PRC	March 27, 2025	100%	Provision of Level 4 autonomous trucks and solutions
Hefei Trunk	PRC	June 18, 2025	100%	Provision of Level 4 autonomous trucks and solutions

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Incorporation of our Company

On March 16, 2017, our Company was established as a limited liability company under the laws of the PRC, with a registered capital of RMB55,000. Upon incorporation, our Company was owned by Ms. Mo Hongnan (莫紅楠) as to 100%. Ms. Mo Hongnan is the spouse of Mr. Zhang Tianlei, our founder.

2. Share transfers in 2018

On February 6, 2018, Ms. Mo Hongnan transferred RMB450,000 registered capital, representing her entire equity interest in our Company to Mr. Zhang Tianlei and therefore ceased to be our Shareholder.

On August 31, 2018, Mr. Zhang Tianlei and Mr. Li Bo (李博) transferred RMB15,210 and RMB6,790 registered capital, respectively, to Tianjin Zhuxian (formerly known as Beijing Zhuxian Information Consulting Center (Limited Partnership) 北京主線信息諮詢中心(有限合夥)).

3. [REDACTED] Investments

Between July 20, 2017 and November 6, 2025, we conducted multiple rounds of [REDACTED] Investments. See “— [REDACTED] Investments” for details.

4. [REDACTED] Share Incentive Scheme

In September 2020, we adopted the [REDACTED] Share Incentive Scheme (as defined in the sub-section headed “[REDACTED] Share Incentive Scheme” below) to recognize and award the contributions of certain eligible employees of the Group, and to incentivize them for their further contribution to the continual operation and development of our Company. The [REDACTED] Share Incentive Scheme was further revised on December 3, 2025. For details, please see “— [REDACTED] Share Incentive Scheme” in this section.

5. Conversion into a joint stock limited liability company

On November 12, 2025, our Company was converted from a limited liability company into a joint stock company with limited liability. The conversion was made with reference to the Company’s net asset value as of July 31, 2025 of which RMB15,392,180 was converted into 15,392,180 shares with a par value of RMB1.00 each, and the remaining amount was classified as capital reserve.

6. Share subdivision

Pursuant to a resolution passed by the then Shareholders on December 3, 2025, each share of our Company with a par value of RMB1.00 was subdivided into 10 Shares with a par value of RMB0.10 each. Upon completion of such share subdivision, the registered capital of our Company was RMB15,392,180, which was divided into 153,921,800 Shares with a par value of RMB0.10 each.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

Principal Terms of the [REDACTED] Investments

The table below summarizes the principal terms of the [REDACTED] investments:

Name of [REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital subscribed for/acquired ⁽¹⁾ (RMB)	Consideration (RMB)	Cost per Share paid ⁽²⁾ (RMB)	[REDACTED] to the [REDACTED] ⁽³⁾
Angel Investments (Pre-money valuation: RMB120 million; Post-money valuation: RMB150 million⁽¹⁾)						
Equity Subscription						
Anhui Kexun Entrepreneurship Information Technology Partnership Enterprise (Limited Partnership) (安徽科訊創業投資基金合夥企業) (“Anhui Kexun”)	July 20, 2017	December 25, 2017	200,000	30 million	1.50	[REDACTED]
Series A Investments (Pre-money valuation: RMB1.0 billion; Post-money valuation: RMB1.18 billion⁽¹⁾)						
Equity Subscription						
Hubei Yangtze NIO New Energy Industry Development Fund Partnership (Limited Partnership) (湖北長江蔚來新能源產業發展基金合夥企業) (“NIO Capital Fund”)	October 25, 2018	November 7, 2018	57,300	57.3 million	10.00	[REDACTED]
Zhuhai Yinshan Modern Logistics Industry Equity Investment Fund (Limited Partnership) (珠海隱山現代物流產業股權投資基金(有限合伙)) (“Zhuhai Yinshan”)	October 25, 2018	August 6, 2019	99,500	99.5 million	10.00	[REDACTED]
Nanjing Dingqin Equity Investment Partnership (Limited Partnership) (南京鼎沁股權投資合夥企業(有限合伙)) (previously 寧波鼎沁股權投資合夥企業(有限合伙)) (“Nanjing Dingqin”)	October 25, 2018	August 30, 2019	25,000	25 million	10.00	[REDACTED]
Equity Transfer						
NIO Capital Fund	October 25, 2018	November 7, 2018	22,700 ⁽⁴⁾	22.7 million	10.00	[REDACTED]
Zhuhai Yinshan	October 25, 2018	November 2, 2018	18,800 ⁽⁴⁾	18.8 million	10.00	[REDACTED]
Series A+ Investments (Pre-money valuation: RMB1.18 billion; Post-money valuation: RMB1.29 billion⁽¹⁾)						
Equity Subscription						
Bosch (Shanghai) Venture Capital Co., Ltd. (博世(上海)創業投資有限公司) (“Bosch Shanghai”)	September 4, 2019	October 14, 2019	40,000	40 million	10.00	[REDACTED]
Zhuhai Yinshan	September 4, 2019	September 30, 2019	63,200	63.2 million	10.00	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of [REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital subscribed for/acquired ⁽¹⁾ (RMB)	Consideration (RMB)	Cost per Share paid ⁽²⁾ (RMB)	[REDACTED] to the [REDACTED] ⁽³⁾
Equity Transfer						
Zhuhai Yinshan	September 4, 2019	September 30, 2019	31,125 ⁽⁵⁾	9.34 million	3.00	[REDACTED]
Series B1 Investments (Pre-money valuation: RMB3.0 billion; Post-money valuation: RMB3.15 billion⁽¹⁾)						
Equity Subscription						
Zhuhai Zhonglin Investment Enterprise (Limited Partnership) (珠海眾霖投資企業 (有限合伙)) (“Zhuhai Zhonglin”)	August 23, 2021	September 15, 2021	21,417	50 million	23.35	[REDACTED]
Jiaxing Bosheng Tonghui Equity Investment Partnership Enterprise (Limited Partnership) 嘉興勃盛通匯股權投資企業(有限合伙) (“Jiaxing Bosheng”)	August 23, 2021	September 14, 2021	22,650	52.88 million	23.35	[REDACTED]
Guangzhou Yuexiu Jinchuan Phase III Equity Investment Fund Partnership Enterprise (Limited Partnership) (廣州越秀金蟬三期股權投資基金合夥企業(有限合伙)) (“Guangzhou Yuexiu”)	August 23, 2021	September 17, 2021	21,417	50 million	23.35	[REDACTED]
Series B2 Investments (Pre-money valuation: RMB3.15 billion; Post-money valuation: RMB3.25 billion⁽¹⁾)						
Equity Subscription						
Weifang Anpeng New Kinetic Energy Conversion Venture Capital Fund Partnership (Limited Partnership) (濰坊安鵬新動能轉換創業投資基金合夥企業 (有限合伙)) (“Weifang Anpeng”)	December 31, 2021	February 10, 2022	21,417	50 million	23.35	[REDACTED]
Jiaxing Zhengtong Advantage Investment Partnership Enterprise (Limited Partnership) (嘉興政通優勢投資企業(有限合伙)) (“Jiaxing Zhengtong”)	December 31, 2021	January 14, 2022	8,567	20 million	23.35	[REDACTED]
Henan Province, Zhengluo New Guotou Shuangchuang Development Venture Capital Fund (L.P.) (河南省鄭洛新國投雙創發展創業投資基金(有限合伙)) (“Henan Guotou”)	December 31, 2021	January 17, 2022	12,850	30 million	23.35	[REDACTED]
Series B3 Investments						
Equity Transfer						
Shenzhen Hanggang Venture Capital Enterprise (Limited Partnership) (深圳航港創業投資企業(有限合伙)) (“Shenzhen Hanggang”)	November 10, 2022	November 15, 2022	12,850 ⁽⁶⁾	30 million	23.35	[REDACTED]
Series B4 Investments (Pre-money valuation: RMB3.30 billion; Post-money valuation: RMB3.40 billion⁽¹⁾)						
Equity Subscription						
Beijing Yingke No.1 Equity Investment Fund (Limited Partnership) (北京盈科壹號股權投資基金(有限合伙)) (“Beijing Yingke”)	October 25, 2023	October 30, 2023	21,111	50 million	23.68	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of [REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital subscribed for/acquired ⁽¹⁾ (RMB)	Consideration (RMB)	Cost per Share paid ⁽²⁾ (RMB)	[REDACTED] to the [REDACTED] ⁽³⁾
Changzhou Bell Tower Specialization and Special New Investment Partnership Enterprise (Limited Partnership) (常州鐘樓專精與特新投資合夥企業(有限合夥)) (“Changzhou Bell Tower”)	April 9, 2024	August 13, 2024	21,111	50 million	23.68	[REDACTED]
Equity Transfer						
Hubei Weixian Equity Investment Partnership (Limited Partnership) (湖北蔚線股權投資合夥企業(有限合夥)) (“Hubei Weixian”)	November 29, 2024	November 29, 2024	80,000 ⁽⁷⁾	80 million	10.00	[REDACTED]
Series B5 Investments (Pre-money valuation: RMB3.60 billion; Post-money valuation: RMB3.86 billion⁽¹⁾)						
Equity Subscription						
Fuzhou Jinhe No. 2 Venture Capital Partnership (Limited Partnership) (福州市金合二號創業投資合夥企業(有限合夥)) (“Fuzhou Jinhe”)	July 25, 2025	July 30, 2025	31,901	80 million	25.08	[REDACTED]
Yulin Yuxin Industrial Investment Promotion Private Equity Fund (Limited Partnership) (榆林榆新產業招商私募股權投資基金合夥企業(有限合夥)) (“Yulin Yuxin”)	July 25, 2025	July 31, 2025	19,938	50 million	25.08	[REDACTED]
Beijing Shunxi Shunxin Advanced Industry Equity Investment Fund (Limited Partnership) (北京順義順芯高精密產業股權投資基金合夥企業(有限合夥)) (“Shunxi Shunxin”)	July 25, 2025	September 26, 2025	19,938	50 million	25.08	[REDACTED]
Yangfu (Feidong) Investment Fund (Limited Partnership) (央扶(肥東)投資基金合夥企業(有限合夥)) (“Yangfu Feidong”)	July 30, 2025	September 1, 2025	31,901	80 million	25.08	[REDACTED]
Equity Transfer						
Aviation Investment Kongdi Huizhi Venture Capital (Beijing) Investment Fund (Limited Partnership) (航投空地匯智創業投資基金(北京)合夥企業(有限合夥)) (“Aviation Investment Kongdi”)	November 6, 2025	November 27, 2025	5,000 ⁽⁸⁾	5.85 million	11.69	[REDACTED]

Notes:

- (1) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the [REDACTED] investment by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time. The pre-money valuation is calculated by excluding the total consideration of equity subscriptions from the post-money valuation under the relevant round of the [REDACTED] investment. The valuation of our Company has been increasing along with our rapid business development.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) The amount is arrived at by dividing the total consideration by the total number of Shares to be converted from the registered capital held by the respective investors as a result of the joint stock reform and the completion of the share subdivision and their respective subscriptions or purchases.
- (3) The [REDACTED] to the [REDACTED] is calculated based on the assumption that the [REDACTED] is [REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range of [REDACTED] to [REDACTED] per H Share, and that the [REDACTED] is not exercised.
- (4) The equity interest was transferred from Anhui Kexun.
- (5) The equity interest was transferred from Tianjin Zhuxian. The consideration was determined based on arm's length negotiation.
- (6) The equity interest was transferred from Tianjin Zhuxian.
- (7) The equity interest was transferred from NIO Capital Fund. The equity transfer was an internal transfer between NIO Capital Fund and Hubei Weixian. Hubei Weixian is an affiliated entity of its limited partner, NIO Capital Fund. Accordingly, the consideration for the transfer was the total consideration paid by NIO Capital Fund in the equity subscription and the equity transfer of series A investments.
- (8) The equity interest was transferred from Nanjing Dingqin. This equity transfer took place after the joint stock reform. This represents the corresponding registered share capital before the joint stock reform. The consideration was determined based on arm's length negotiation.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Reasons for Fluctuations in Valuation in the [REDACTED] Investments

The principal reasons for the material increases in our Company’s valuation in several rounds of our [REDACTED] investments are as follows:

- (i) the increase in valuation from Angel Investments to the Series A Investments was mainly due to the successful launching of our first autonomous truck which initiated the pilot operation at Tianjin Port.
- (ii) the increase in valuation from Series A+ Investments to Series B1 Investments was mainly as a result of our Company achieving several milestones including, amongst others, (i) jointly establishing the world’s first port autonomous driving demonstration zone with Tinajin Port; and (ii) officially launching road testing and demonstration operations for autonomous long-haul trucks in partnership with logistics enterprises.
- (iii) the increase in valuation from B4 Investments to Series B5 Investments was mainly because (i) our autonomous truck were officially granted testing and demonstration permits across Beijing, Tianjin, and Hebei and we have also been granted one of Beijing’s first qualification for intelligent connected heavy-duty truck platooning road test, becoming one of the first companies in China to conduct regular cross-provincial transportation operations using intelligent connected heavy-duty trucks on the Beijing Tianjin-Tanggu Expressway; and (ii) the significant growth in revenue from approximately RMB254.1 million for the year ended December 31, 2024 to RMB344.5 million for the year ended December 31, 2025 as a result of the growth and development of our operations.
- (iv) the increase in valuation from Series B5 Investments to the valuation in the [REDACTED] is mainly due to the discount for lack of marketability to reflect the difference in the marketability of the Shares in Series B5 Investments and that of the Company upon completion of the [REDACTED].

There were no material fluctuations in our Company’s valuation (a) between the Series A Investments and Series A+ Investments; (b) between the Series B1 Investments and Series B2 Investments; and (c) between the Series B2 Investments and Series B4 Investments, respectively.

Use of Proceeds from the [REDACTED] Investments

The proceeds from the [REDACTED] Investments have been utilized for our general operation and working capital purposes. As of the Latest Practicable Date, all of the proceeds up to Series B4 Investments have been used utilized. Approximately 60% (approximately RMB156.0 million) of the proceeds from Series B5 Investments had been utilised.

Strategic benefits of the [REDACTED] Investments

At the time of the [REDACTED] Investments, our Directors were of the view that Company could benefit from the additional capital that would be provided by the [REDACTED] Investors’ investments in our Company and the [REDACTED] Investors’ knowledge and experience. The [REDACTED] Investments also signify our [REDACTED] Investors’ endorsement of and confidence in our Company.

Basis of consideration

The consideration of each round of [REDACTED] Investments involving capital subscriptions to our Company were determined based on arm’s length negotiation with our respective [REDACTED] Investors and our Group after taking into consideration of the timing of the investments, our valuation when the investment agreement was entered into, the status of our business operations, financial performance of our Group, and the prospect of our business.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special Rights of Our [REDACTED] Investors

Certain special rights were granted to our [REDACTED] Investors under the relevant agreements, such as redemption rights, liquidation preferences, right to appoint directors, rights of first refusal, veto rights and information and inspection rights. The redemption rights were terminated prior to our first submission of the [REDACTED] by our Company to the Stock Exchange (the “**First Filing**”) for the purpose of the [REDACTED] in accordance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange, provided that such rights shall resume to be exercisable upon the earlier of the following events: (i) the [REDACTED] is withdrawn by the Company; (ii) the [REDACTED] is disapproved by the relevant regulatory authorities; or (iii) the [REDACTED] is not completed within eighteen (18) months from the First Filing (or such other period as may be agreed upon by the parties). All other special rights will terminate upon the completion of the [REDACTED] and no special rights granted to the [REDACTED] Investors will survive after the [REDACTED], in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information regarding Our [REDACTED] Investors

Set out below is a description of our Sophisticated Independent Investors (including Pathfinder SIIIs) and other [REDACTED] Investors (being sophisticated investors such as private equity funds and corporations, and that have made meaningful investments in our Company. Among our [REDACTED] Investors, we have two Pathfinder SIIIs, each of which held more than 10.0% of the total issued Shares of the Company as of the Latest Practicable Date. To the best knowledge of our Directors, save for Zhuhai Yinshan which will hold more than 10.0% of the total issued share capital of our Company following the [REDACTED] and will constitute a substantial shareholder of our Company, each of our Sophisticated Independent Investors and other [REDACTED] Investors and each of their respective ultimate beneficiary owners is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates, and each of such [REDACTED] Investors is independent from each other unless as disclosed otherwise.

Our Pathfinder SIIIs

Xunfei Ventures

Anhui Kexun is a limited partnership established in the PRC. The general partner and executive partner of Anhui Kexun is Hefei Kexun Ruijin Enterprise Management Partnership (Limited Partnership) (合肥科訊睿進企業管理合夥企業(有限合夥)) (“**Hefei Kexun**”), which has appointed Mr. Xu Jingming (徐景明) (“**Mr. Xu**”) as its representative. Hefei Kexun’s general partner is Anhui Xunfei Venture Capital Partnership (Limited Partnership) (安徽訊飛創業投資合夥企業(有限合夥)) (“**Anhui Xunfei**”) which holds 1.00% of the partnership interest in Hefei Kexun. The remaining partnership interest of Hefei Kexun is held by Sanya Gaozhuo Jiayin Information Technology Partnership (Limited Partnership) (三亞高卓佳音信息科技合夥企業(有限合夥)) (“**Sanya Gaozhuo**”) as to 89.00%, and Anhui Development Investment Co., Ltd. (安徽省開發投資有限公司) (“**Anhui Development**”) as to 10.00%. Anhui Xunfei’s general partner is Hefei Kexun Dingli Enterprise Management Co., Ltd. (合肥科訊頂立企業管理有限公司) (“**Hefei Dingli**”), which is in turn owned as to 99.00% and 1.00% by Sanya Gaozhuo and Mr. Xu, respectively. Sanya Gaozhuo is ultimately managed by its general partner, Mr. Xu, who holds 57.00% of its partnership interest.

Anhui Kexun has four limited partners among which major limited partners include (1) Anhui Development, a state owned enterprise based in Anhui, China, which primarily focuses on investment, financing, and the development of infrastructure projects, holding 49.83% of partnership interest in Anhui Kexun; (2) Anhui iFlytek Industrial Investment Co., Ltd. (安徽訊飛產業投資有限責任公司), an investment company that focuses on AI, holding 29.90% of partnership

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interest in Anhui Kexun; (3) Shenzhen Tianzheng Investment Co., Ltd. (深圳市天正投資有限公司), a Chinese investment company based in Shenzhen, holding 14.95% of partnership interest in Anhui Kexun; and (4) Mr. Xu, holding 1.99% of partnership interest in Anhui Kexun.

Anhui Kexun is one of six funds under the investment platform ultimately controlled by Mr. Xu (“**Xunfei Ventures**”). Established in 2016, Xunfei Ventures consists of six fund entities including Anhui Kexun, Xunfei Haihe (Tianjin) Artificial Intelligence Venture Capital Fund (Limited Partnership) (訊飛海河(天津)人工智能創業投資基金合夥企業(有限合夥)), Hefei Kexun Lianshan Innovation Industry Investment Fund (Limited Partnership) (合肥科訊連山創新產業投資基金合夥企業(有限合夥)), Hefei Lianshan Innovation Industry Investment Fund (Limited Partnership) (合肥連山創新產業投資基金合夥企業(有限合夥)), Suzhou Kexun Yuanfeng Angel Venture Investment Fund (Limited Partnership) (蘇州科訊園豐天使創業投資基金合夥企業(有限合夥)), and Anhui Kexun Artificial Intelligence Venture Capital Fund (Limited Partnership) (安徽科訊人工智能創業投資基金合夥企業(有限合夥)). Pursuant to the respective partnership agreements of each of the above-mentioned funds, the general partner is responsible for managing the day-to-day operations of the fund and making all investment decisions. The general partners of the six funds ultimately trace up to Hefei Dingli, which is owned as to 99.00% and 1.00% by Sanya Gaozhao and Mr. Xu, respectively. Sanya Gaozhao is ultimately managed by its general partner, Mr. Xu, who holds 57.00% of its partnership interest. Accordingly, through entities Mr. Xu ultimately controls, he is able to exercise control over the general partners of all six funds, and through the control of the general partners of the six funds, Mr. Xu effectively controls the investment decisions of the six funds under the investment platform of Xunfei Ventures. The limited partners of the six funds are passive investors without involvement in the day-to-day management or investment decisions of the respective funds.

In compliance with Rule 18C.05 of the Listing Rules, Anhui Kexun held approximately 10.30% and 11.04% of the total issued share capital of our Company as of the date of submission of our Company’s [REDACTED] and the commencement date of the pre-[REDACTED] 12-month period, respectively.

Xunfei Ventures adheres to an investment philosophy of synergistic advancement driven by industry, technology and capital and specializes in investments within the technology sector, with a primary focus on artificial intelligence and its vertical application. Xunfei Ventures is led by Mr. Xu, who possesses over 20 years of experience in technology and capital markets. He is responsible for the investment decisions of each fund within Xunfei Ventures as he serves as the member of the investment committee for each fund. A project initiation meeting must be held before projects are presented to the investment committee for decision-making. As Mr. Xu serves as the chairman of such initiation meeting, he holds veto power and decides whether the project can be scheduled for an investment committee meeting. The investment in our Company aligns with Xunfei Ventures’ strategy of conducting investments centered around projects in the application of artificial intelligence and technology to transform traditional industries. Although Xunfei Ventures’ overall investment portfolio was in their early stages at the time of its initial investment in our Company, its core management team led by Mr. Xu already possessed extensive prior experience in the fields of artificial intelligence and technology. Before investing in our Company, Xunfei Ventures conducted various independent due diligence on our Company involving, among others, an assessment of our industry, our products and technology, the composition of our management team, our intellectual properties and future development plan.

The aggregate investment portfolio of Xunfei Ventures was approximately RMB0.21 billion as of January 31, 2017 (being a date not more than six months prior to the date on which the definitive agreement for the earliest investment in the Company was signed). As of September 30, 2025, the investment portfolio of Xunfei Ventures grew to approximately RMB5.05 billion, the investment value of which are primarily derived from Specialist Technology investments, satisfying Chapter 2.5 of the Guide for New Listing Applicants. Hence, Anhui Kexun qualifies as a Sophisticated Independent Investor. Such investments in Specialist Technology sectors include, amongst others, (i) Xunfei Healthcare Technology Co., Ltd. (stock code: 2506.HK), which specializes

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in applying advanced artificial intelligence technologies to the medical and healthcare industry; (ii) Hygon Information Technology Co., Ltd. (stock code: 688041.SH), which specializes in the research, development and sale of high-performance processors and co-processors; and (iii) Beijing Galbot Co., Ltd., which is engaged in the research and development of embodied multimodal large model general-purpose robots. In addition to the above companies in the Specialist Technology sector, Xunfei Ventures also has a strong track record in identifying and investing in promising and established businesses engaged in the artificial intelligence and technology industries, such as SenseTime Group Inc. (stock code: 0020.HK), UBTECH Robotics Corp Ltd (stock code: 9880.HK) and iMotion Automotive Technology (Suzhou) Co., Ltd. (stock code: 1274.HK).

At the initial stage, as it is typical with early-stage investments, it takes time for the businesses of the invested start-ups to develop and scale. As the operations of these start-ups matured and expanded over time, the value and size of Xunfei Ventures’ investment portfolio grew accordingly. Over the years, the number of investments has also increased and Xunfei Venture grew from one fund in 2017 to six funds with a diverse portfolio of investments, which further contributed to the overall growth of its portfolio size. This gradual expansion in both number and value of investments lead to the relatively small size of their investment portfolio in 2017 and the subsequent growth. Throughout the growth and development process, Xunfei Ventures provided portfolio companies with professional advice and industry expertise which portfolio companies are able to leverage on to further expand and develop.

In view that (i) the aggregate investment portfolio of Xunfei Ventures as of September 30, 2025 amounted to approximately RMB5.05 billion, the investment value of which are primarily derived from specialist technology investments in sectors of AI infrastructure, advanced hardware, life sciences and new energy; and (ii) the deep industrial expertise and proven investment track record of Xunfei Ventures in specialist technology field, the Company is of the view, which is concurred by the Sole Sponsor, that Xunfei Ventures qualify as a Sophisticated Independent Investor under Chapter 2.5 of the Guide for New Listing Applicants.

GLP

Zhuhai Yinshan is a limited partnership established in the PRC with its general partners being GLP (Zhuhai) Equity Investment Management Co., Ltd. (普洛斯(珠海)股權投資管理有限公司) (“**GLP (Zhuhai)**”) and Zhuhai Puyou Investment Consulting Co., Ltd. (珠海普郵投資諮詢有限公司) (“**Zhuhai Puyou**”). Both GLP (Zhuhai) and Zhuhai Puyou are ultimately controlled by GLP Pte. Ltd. (“**GLP**”). Zhuhai Yinshan has 32 limited partners, with its largest limited partner, Zhuhai Puyin Logistics Industry Equity Investment Partnership (Limited Partnership) (珠海普隱物流產業股權投資合夥企業(有限合夥)), holding approximately 34.19% of the partnership interests. None of the other 31 limited partners directly holds more than 15.0% of the partnership interests. Zhuhai Puyou is wholly-owned by Shanghai Yinshan Puheng Enterprise Management Co., Ltd. (上海隱山普衡企業管理有限公司) (“**Shanghai Yinshan**”), which is in turn owned as to 65.00% by Unity CMC Holdings Limited (“**Unity CMC**”) and 35.00% by Zhuhai Yinshan Lingchuang Investment Consulting Co., Ltd. (珠海隱山領創投資諮詢有限公司) (“**Zhuhai Yinshan Lingchuang**”), respectively. Zhuhai Yinshan Lingchuang is owned as to 40.00% by Dong Zhonglang (董中浪) and 40.00% by Zhuhai Dongfang Zeyu Business Consulting Co., Ltd. (珠海市東方澤宇商務諮詢有限公司) (“**Zhuhai Dongfang Zeyu**”), respectively. Zhuhai Dongfang Zeyu is wholly-owned by Mr. Higashi Michihiro. GLP (Zhuhai) is wholly-owned by Unity CMC, which is indirectly controlled by GLP, a leading global thematic investor and business builder focusing on sectors with large addressable markets and strong secular growth drivers, including logistics, digital infrastructure, and renewable energy. The investment decisions of Zhuhai Yinshan are made by an investment committee comprised of four senior management members of GLP.

In compliance with Rule 18C.05 of the Listing Rules, Zhuhai Yinshan held approximately 13.81% and 14.81% of the total issued share capital of our Company as of the date of submission of our Company’s [REDACTED] and the commencement date of the pre-[REDACTED] 12-month period, respectively.

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The AUM of GLP was over US\$50 billion and US\$80 billion as of September 30, 2018 (being a date not more than six months prior to the date on which the definitive agreement for the earliest investment in the Company was signed) and September 30, 2025, respectively. Since the general partners of Zhuhai Yinshan are ultimately controlled by GLP, of which the AUM satisfies Chapter 2.5 of the Guide for New Listing Applicants, and the investment decisions of Zhuhai Yinshan are ultimately controlled and managed by GLP, Zhuhai Yinshan qualifies as a Sophisticated Independent Investor.

Our Other Sophisticated Independent Investors

Bosch Group

Bosch Shanghai is an investment company wholly owned by Bosch (Shanghai) Investment Consulting Co., Ltd. (博世(上海)投資諮詢有限公司), which is wholly owned by Bosch (China) Investment Ltd. (博世(中國)投資有限公司) (“**Bosch China**”), and in turn, wholly owned by Robert Bosch Investment Nederland B.V. (collectively, “**Bosch Group**”). Bosch Group is a leading global supplier of technology and services, with a specific strategic focus on the automotive electronics industry, which constitutes a significant portion of its operations. According to Frost & Sullivan, Bosch Group is a key participant in the automotive electronics industry in terms of sales revenue globally as of December 31, 2019 and December 31, 2025. Bosch Group’s automotive electronics business operates in the upstream industry of the Company’s autonomous trucks industry. In 2019, the global automotive electronics market was approximately RMB1.75 trillion, with the Bosch Group capturing a market share of about 10.8%, ranking first in the industry. By 2025, this market has grown to approximately RMB2.66 trillion, with the Bosch Group’s market share at 8.7%, while remaining first in the industry. As a key participant in the upstream value chain of the automotive electronics industry, Bosch Group possesses comprehensive expertise in sensor technology, software, cross-domain computing solutions, and chassis system controls, all of which are critical upstream components for the development of the Company’s autonomous trucks. Bosch Shanghai held approximately 2.6% and 2.8% of our total issued capital as of the date of our [REDACTED] and the commencement date of the pre-[REDACTED] 12-month period, respectively.

As Bosch Group is a key participant in the relevant upstream industry with a meaningful market share and size, Bosch Shanghai qualifies as a Sophisticated Independent Investor pursuant to Chapter 2.5 of the Guide.

Meaningful investment from Sophisticated Independent Investors

We have received investments from two Pathfinder SIIs, namely Xunfei Ventures and GLP, each having invested in the Group for at least 12 months prior to the first submission of our [REDACTED] to the Stock Exchange for the purpose of the [REDACTED]. In accordance with Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange, each of Xunfei Ventures and GLP holds more than 3%, and in aggregate more than 10%, of the issued share capital of the Company as of the date of our [REDACTED] and throughout the pre-[REDACTED] 12-month period.

As of the Latest Practicable Date, our Sophisticated Independent Investors (as identified above) held, in aggregate, approximately 26.71% in the total issued share capital of our Company. At [REDACTED], such Sophisticated Independent Investors will hold, in aggregate, no less than 20% in the total issued share capital of the Company, assuming that our expected market capitalization at the time of [REDACTED] will exceed [REDACTED] but less than [REDACTED].

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Our Other [REDACTED] Investors

Nanjing Dingqin

Nanjing Dingqin is a limited partnership established in the PRC and controlled and managed by its general partner Shanghai Dingying Investment Management LLP. (上海鼎迎投資管理中心(有限合夥)) (“**Dingying Investment**”), whose general partner is Mr. Yan Li (嚴力). Mr. Yan Li is the CEO and co-founder of Eastern Bell Capital (鐘鼎(上海)創業投資管理有限公司).

Nanjing Dingqin has two limited partners, among which Suzhou Zhongding No. 5 Equity Investment Fund Partnership (L.P.) (蘇州鐘鼎五號股權投資基金合夥企業(有限合夥)) (“**Suzhou Zhongding**”) holds approximately 91.20% of limited partnership interest in Nanjing Dingqin. The remaining 1 limited partner holds less than 10% of limited partnership interest in Nanjing Dingqin. Suzhou Zhongding is controlled and managed by its general partner, Shanghai Dingxiao Business Management Consulting Center (Limited Partnership) (上海鼎蕭企業管理諮詢中心(有限合夥)) (“**Shanghai Dingxiao**”) which is further controlled and managed by its general partner, Shanghai Dingman Enterprise Management Co., Ltd. (上海鼎蔓企業管理有限公司) (“**Shanghai Dingman**”). Shanghai Dingman is owned as to 52.88% by Mr. Yan Li.

Zhuhai Zhonglin

Zhuhai Zhonglin is a limited partnership established in the PRC. It is controlled and managed by its general partner, Suzhou Zhongyiwei Private Equity Fund Management Partnership (Limited Partnership) (蘇州眾亦為私募基金管理合夥企業(有限合夥)) (“**Suzhou Zhongyiwei**”). Suzhou Zhongyiwei is controlled by its general partner, Gongqingcheng Zhongzhi Investment Co., Ltd. (共青城眾志投資有限公司) which is owned as to 90% and 10% by Ms. Xu Wei (徐薇) and Mr. Zhang Huiming (張慧明). Ms. Xu Wei is a partner of ZWC Partners (眾為資本).

Zhuhai Zhonglin has two limited partners among which Tianjin Zhongwei Equity Investment Fund Partnership (L.P.) (天津眾為股權投資基金合夥企業(有限合夥)) holds 92.13% of limited partnership interest in Zhuhai Zhonglin. The remaining 1 limited partner holds less than 10% of limited partnership interest in Zhuhai Zhonglin.

Guangzhou Yuexiu

Guangzhou Yuexiu is a limited partnership established in the PRC. It is an equity investment fund controlled and managed by Guangzhou Yuexiu Industry Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司) (“**Yuexiu Industry Fund**”), which is owned as to 90.00% by Guangzhou Yuexiu Capital Holding Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (“**Yuexiu Capital**”), a listed company on the Shenzhen stock exchange with the stock code 000987.SZ.

Guangzhou Yuexiu has two limited partners among which 97.50% of limited partnership is held by Guangzhou Yuexiu Industrial Investment Co., Ltd. (廣州越秀產業投資有限公司). The remaining 1 limited partner holds less than 10.00% of limited partnership in Guangzhou Yuexiu.

BAIC Capital

Weifang Anpeng is a limited partnership fund established in the PRC. It is an equity fund managed by its manager, Shenzhen Anpeng Equity Investment Fund Management Co., Ltd. (深圳市安鵬股權投資基金管理有限公司) (“**Shenzhen Anpeng**”) and controlled by its general partner, Shandong Anpeng Equity Investment Fund Management Co., Ltd. (山東安鵬股權投資基金管理有限公司) (“**Shandong Anpeng**”). Shandong Anpeng is owned as to 50% each by Shanghai Miaoche Asset Management Co., Ltd. (上海淼謙資產管理有限公司) (“**Shanghai Miaoche**”) and BAIC Capital Co., Ltd. (北京汽車集團產業投資有限公司) (“**BAIC Capital**”). BAIC Capital is wholly owned by Beijing Automotive Group Co. Ltd (北京汽車集團有限公司) which is wholly owned by

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Beijing State-owned Capital Operation and Management Company Limited. Shanghai Miaochen is owned as to 70.00% by Zhucheng Huida Equity Investment Fund Partnership (Limited Partnership) (諸城市匯達股權投資基金合夥企業(有限合夥)) (“**Zhucheng Huida**”) and 30% by Shanghai Zhongjin Gangli Enterprise Management Co., Ltd. (上海中津港麗科技有限公司) (“**Shanghai Zhongjin**”). Zhucheng Huida is managed and controlled by its general partner, Shanghai Jikang Trading Co., Ltd. (上海吉慷商貿有限公司) (“**Shanghai Jikang**”), which is owned as to 90.00% by Mr. Liu Zhaobin (劉召彬) and 10.00% by Ms. Liu Fangwen (劉方敏). Shanghai Zhongjin is owned as to 50% each by Mr. Zhao Yuming (趙玉明) and Ms. Cui Ling (崔玲).

Weifang Anpeng is owned as to 0.50% by each general partner, Shenzhen Anpeng and Shandong Anpeng. The remaining partnership interest is owned by five other limited partners, of which 25.00%, 20.00%, 20.00%, 19.00% and 15.00% is held by Shandong New Kinetic Energy Fund Management Co., Ltd. (山東省新動能基金管理有限公司), Zhucheng Xinzhuo Investment Holding Co., Ltd. (諸城市信卓投資控股有限公司), Weifang Financial Holding Group (濰坊市政金控股集團有限公司), BAIC Capital and Weifang Hengxin Capital Management Co., Ltd. (濰坊恒新資本管理有限公司), respectively.

Jiaxing Zhengtong

Jiaxing Zhengtong is a limited partnership fund established in the PRC. It is an equity investment fund managed and controlled by YouShi Financial Holdings (Shanghai) Asset Management Co., Ltd. (優勢金控(上海)資產管理有限公司) which is owned as to 39.93%, 26.73%, 20.20%, 5%, 3%, 2%, 1.9% and 1.25% by Mr. Wu Kezhong (吳克忠), Mr. Lu Xiaochen (盧曉晨), Ms. Xu Danchan (徐單嬋), Hainan Wansheng Yi Investment Holding Group Co., Ltd. (海南萬盛意投資控股集團有限公司), Shanghai Youxu Enterprise Management Center (Limited Partnership) (上海優煦企業管理中心(有限合夥)), Guangzhou Tianyou Investment Co., Ltd. (廣州天優投資有限公司), Mr. Zheng Xiangzhou (鄭翔洲) and Hainan Hongmeng Investment Holding Group Co., Ltd. (海南鴻蒙投資控股集團有限公司), respectively. Simultaneously, Mr. Wu Kezhong, Mr. Lu Xiaochen and Ms. Xu Danchan are partners of PreIPO Capital Private Equity Funds (優勢資本), which is a comprehensive investment holding group focused on venture capital, private equity investment, and mergers and acquisitions.

Henan Guotou

Henan Guotou is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Zhengzhou Chuangxin Investment Private Equity Fund Management Co., Ltd. (鄭州創新投私募基金管理有限公司) (“**Zhengzhou Chuangxin**”), a wholly owned subsidiary of Zhengzhou Investment Holding Co., Ltd. (鄭州投資控股有限公司), a state-owned enterprise, which is indirectly held as to 100% by Zhengzhou Municipal Bureau of Finance (鄭州市財政局).

Henan Guotou is owned as to approximately 1.00% by its general partner. The remaining partnership interest is owned by seven limited partners, of which approximately 30.00%, 30.00% and 20.00% is held by Zhongyuan Yuzi Investment Holding Group Co., Ltd. (中原豫資投資控股集團有限公司), Zhengzhou Guochuang Industrial Investment Co., Ltd. (鄭州國創產業投資有限公司) and Zhengzhou High-tech Industry Investment Fund Co., Ltd. (鄭州高新產業投資基金有限公司), respectively. The remaining 4 limited partners each hold less than 10% of the interest therein.

Zhengzhou Chuangxin also acts as the private fund manager of Henan Guotou. It is wholly owned by Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司), which is wholly owned by Zhengzhou Municipal Bureau of Finance (鄭州市財政局).

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NIO Capital

Hubei Weixian is a limited partnership established under the laws of the People’s Republic of China, and is an affiliated company of its limited partner, Hubei Yangtze NIO New Energy Industry Development Fund Partnership (Limited Partnership) (湖北長江蔚來新能源產業發展基金合夥企業(有限合夥)) (“**NIO Capital Fund**”), a market-oriented and leading private equity investment firm that focuses on investments in transportation, energy, materials, and other related fields, and adheres to sustainable investment with a focus on decarbonization and digital innovation. The general partner of Hubei Weixian is Hubei Yangtze River NIO New Energy Equity Investment Fund (Limited Partnership) (湖北長江蔚來新能源股權投資合夥企業(有限合夥)), whose general partner is Hubei Yangtze NIO New Energy Investment Management Co., Ltd. (湖北長江蔚來新能源投資管理有限公司) (“**Hubei Yangtze NIO Fund Manager**”), which also controls the NIO Capital Fund. Hubei Yangtze NIO Fund Manager is a private fund manager, owned 56.2275% by (i) Ningbo Free Trade Zone Weixu Enterprise Management Co., Ltd. (寧波保稅區蔚旭企業管理有限公司) (“**Ningbo Weixu**”), which is a limited partnership with its interests held 33.35%, 33.32%, and 33.32% respectively by Li Bin (李斌), Zhu Qian (朱茜), and Shanghai Weixu Enterprise Management Partnership (Limited Partnership) (上海蔚續企業管理合夥企業(有限合夥)), and 43.7725% by (ii) Weiran (Nanjing) Power Technology Co., Ltd. (蔚然(南京)動力科技有限公司), which is ultimately owned by NIO Group (a company listed on The Stock Exchange of Hong Kong (stock code: 9866.HK), the New York Stock Exchange (stock code: NIO.NYSE), and the Singapore Stock Exchange (stock code: NIO.SSE)).

Jiaxing Bosheng

Jiaxing Bosheng is a limited partnership established under the laws of the PRC. It is controlled and managed by its general partner, Gongqingcheng Bohai Kaiyuan Investment Partnership (Limited Partnership) (共青城渤海開源投資合夥企業(有限合夥)), which is in turn controlled and managed by its general partner Bohai Zhongsheng (Hubei) Industrial Fund Management Co., Ltd. (渤海中盛(湖北)私募基金管理有限公司), which is owned as to 78.83% and 21.17% by China Prosper Investment Asset Management (Tianjin) Co., Ltd. (中盛郵信投資管理(天津)有限公司) (“**China Prosper**”) and Beijing Shanghe Momentum Private Equity Fund Management Co., Ltd. (北京上河動量私募基金管理有限公司), respectively. China Prosper is ultimately owned by a Hong Kong incorporated company, China Prosper Capital Corporation Limited as to 72.00%.

Jiaxing Bosheng is owned as to approximately 3.56% by its general partner. The remaining partnership interest is owned by 19 limited partners, of which approximately 15.13% and 13.24% is owned by Jiaxing Zhongbo Yuhui Equity Investment Partnership Enterprise (Limited Partnership) (嘉興中博鈺惠股權投資合夥企業(有限合夥)) and Jiaxing Zhongbo Yihe Equity Investment Partnership (Limited Partnership) (嘉興中博易和股權投資合夥企業(有限合夥)). The remaining 17 limited partners of Jiaxing Bosheng each hold less than 10% of the interest therein.

Shunyi Entities

Beijing Yingke and Shunyi Shunxin

Beijing Yingke is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Beijing Shunchuang Industrial Venture Capital Investment Management Co., Ltd. (北京順創產業創業投資管理有限公司) (“**Beijing Shunchuang**”), which is wholly owned by Beijing Shunyi Science and Technology Innovation Group Co., Ltd. (北京順義科技創新集團有限公司) (“**Shunyi Innovation**”). Shunyi Innovation is owned as to 73.10% and 26.90% by Beijing Shunyi State-owned Capital Operation and Management Co., Ltd. (北京市順義區國有資本經營管理有限公司) (“**Shunyi Operation**”) and Beijing Shunyi Investment Fund Co., Ltd. (北京順義投資基金有限責任公司) (“**Shunyi Fund**”), respectively. Shunyi Fund is wholly owned by Beijing Shunyi Financial Holding Co., Ltd. (北京順義金融控股有限責任公司), a wholly owned subsidiary of Shunyi Operation. Shunyi Operation is wholly owned by Beijing Shunyi District People’s Government State-owned Assets Supervision and Administration Committee (北京市順義區人民政府國有資產監督管理委員會) (“**Shunyi Committee**”). Ultimately, the sole shareholder is Shunyi Committee.

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Beijing Yingke is held as to 0.94% by its general partner. The remaining limited partnership interest is held by three limited partners, of which approximately 93.45%, 0.47%, and 5.14% is held by Shunyi Innovation, Beijing Yingke Puyu Enterprise Management Consulting Partnership (Limited Partnership) (北京市盈科璞玉企業管理諮詢合夥企業(有限合夥)), and Beijing Bank Wealth Management Co., Ltd. (北銀理財有限責任公司), respectively.

Shunyi Shunxin is a limited partnership established under the laws of the PRC. It is managed and controlled by Beijing Shunchuang. Beijing Shunchuang is wholly owned by Shunyi Innovation, which is owned as to 73.10% and 26.90% by Shunyi Operation and Shunyi Fund, respectively. Shunyi Operation is further wholly owned by Shunyi Committee.

Shunyi Shunxin is held as to 0.19% by its general partner. The remaining limited partnership interest is held by two limited partners, among which Beijing Shunyi Equity Investment Guidance Fund (Limited Partnership) (北京順義股權投資引導基金(有限合夥)) holds 95.24% of limited partnership interest in Shunyi Shunxin. The remaining limited partner holds less than 10% of limited partnership interest in Shunyi Shunxin.

Changzhou Bell Tower

Changzhou Bell Tower is a limited partnership established under the laws of the PRC. It is controlled and managed by its general partner, Changzhou Qingfeng Equity Investment Management Co., Ltd. (常州青楓股權投資管理有限公司), a wholly owned subsidiary of Changzhou Ruiyuan Venture Investment Co., Ltd. (常州瑞源創業投資有限公司) (“**Changzhou Ruiyuan**”), which is wholly owned by Changzhou Zhongjin Investment Holding Co., Ltd. (常州鐘金投資控股有限公司) (“**Changzhou Investment**”). Changzhou Investment is held as to 100% by Office of the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府辦公室).

Changzhou Bell Tower is held as to 0.33% by its general partner. The remaining partnership interest is held by Changzhou Zhonglou Kechuang Investment Partnership (Limited Partnership) 常州鐘樓科創投資合夥企業(有限合夥) as to 99.67% which is ultimately controlled by Office of the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府辦公室).

Aviation Investment Entities

Shenzhen Hanggang and Aviation Investment Kongdi

Shenzhen Hanggang is a limited partnership established under the laws of the PRC. It is an equity investment fund managed and controlled by Aviation Investment Private Equity Fund Management Co., Ltd. (航投私募基金管理有限公司) (“**Aviation Investment**”), which is owned as to 20.00%, 20.00%, 20.00%, 15.00%, 15.00% and 10.00% by Capital Airports Holding Company (首都機場集團有限公司) (“**Capital Airports**”), Gaoheng Asset Management (Beijing) Co., Ltd. (高恒資產管理(北京)有限公司) (“**Gaoheng Asset**”), Beijing Hangxing Airport Management Co., Ltd (北京航興機場管理有限公司) (“**Beijing Hangxing**”), Civil Aviation Data Communication Co., Ltd. (民航數據通信有限責任公司) (“**Civil Aviation Data**”), Beijing Green Code New Infrastructure Management Consulting Co., Ltd. (北京綠碼新基建管理顧問有限公司) (“**Beijing Green Code**”) and Air Union Insurance Brokers Co., Ltd. (航聯保險經紀有限公司) (“**Air Union Insurance**”), respectively.

Shenzhen Hanggang is held as to 3.13% by its general partner. The remaining limited partnership interest is held by five limited partners, among which Jingzhou Ancient City State-owned Investment Co., Ltd. (荊州市古城國有投資有限責任公司) which is ultimately controlled by Jingzhou Municipal State-owned Assets Supervision and Administration Commission (荊州市人民政府國有資產監督管理委員會), holds 84.06% of limited partnership interest. The remaining limited partners each holds less than 10% of limited partnership interest in Shenzhen Hanggang.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Aviation Investment Kongdi is a limited partnership established under the laws of the PRC. It is a venture capital fund managed and controlled by its general partner, Aviation Investment, which is owned by Capital Airports, Gaoheng Asset, Beijing Hangxing, Civil Aviation Data, Beijing Green Code, and Air Union Insurance as to 20.00%, 20.00%, 20.00%, 15.00%, 15.00% and 10.00%, respectively.

Aviation Investment Kongdi is held as to 8.20% by its general partner. The remaining limited partnership interest is held by 15 limited partners, among which Mr. Fan Zhetao (樊哲桃) and Mr. Zhou Wei (周偉) hold 24.59% and 16.39% of limited partnership interest, respectively. The remaining limited partners each holds less than 10% of limited partnership interest in Aviation Investment Kongdi.

Fuzhou Jinhe

Fuzhou Jinhe is a limited partnership established under the laws of the PRC. It is managed and controlled by Fujian Jintou Private Equity Fund Management Co., Ltd. (福建省金投私募基金管理有限公司) (“**FFIF**”), a wholly owned subsidiary of Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司), a wholly owned subsidiary of Fujian Provincial Department of Finance (福建省財政廳). FFIF holds 0.99% of the limited partnership of Fuzhou Jinhe and the remaining 99.01% is held by its sole limited partner, CIB Wealth Management Co., Ltd. (興銀理財有限責任公司), which is wholly owned by Industrial Bank Co., Ltd. (興業銀行股份有限公司).

Yulin Yuxin

Yulin Yuxin is a limited partnership established under the laws of the PRC. It is managed and controlled by Yulin Coal Conversion Fund Investment Management Co., Ltd. (榆林市煤炭轉化基金投資管理有限公司), which is held as to 39.00%, 20.00%, 20.00%, 20.00% and 1.00% by Yulin Financial Investment Management Co., Ltd. (榆林市財金投資管理有限公司) (“**Yulin Financial**”), Shaanxi Coal and Chemical Industry Group Co., Ltd. (陝西煤業化工集團有限責任公司) (“**Shaanxi Coal**”), Shaanxi Yulin Energy Co., Ltd. (陝西榆林能源集團有限公司) (“**Yulin Energy**”), Shaanxi Investment Capital Management Co., Ltd. (陝西陝投資本管理有限公司) (“**Shaanxi Investment**”) and Minsheng Tonghai Investment Fund Management (Beijing) Co., Ltd. (民生通海投資基金管理(北京)有限公司), respectively. Yulin Financial is wholly owned by Yulin City Department of Finance (榆林市財政局), Shaanxi Coal is wholly owned by State-owned Assets Supervision and Administration Commission of the People’s Government of Shaanxi Province (陝西省人民政府國有資產監督管理委員會) (“**Shaanxi SASAC**”) while Shaanxi Investment is indirectly wholly owned by Shaanxi SASAC.

Yulin Yuxin is held as to 1.00% by its general partner. The remaining limited partnership interest is held by two limited partners, Yulin Energy and Yulin Investment Fund Management Co., Ltd. (榆林投資基金管理有限責任公司) (“**Yulin Investment**”), each holding 49.5% of limited partnership interest in Yulin Yuxin. Yulin Energy is further wholly owned by Yulin Municipal State-owned Assets Supervision and Administration Commission (榆林市人民政府國有資產監督管理委員會) and Yulin Investment is ultimately controlled by Yulin Municipal Finance Bureau (榆林市財政局).

Yangfu Feidong

Yangfu Feidong is a limited partnership established under the laws of the PRC. It is managed and controlled by SDIC Chuangyi Industry Fund Management Co., Ltd. (國投創益產業基金管理有限公司) (“**SDIC**”). SDIC is wholly owned by State Development & Investment Group Co., Ltd. (國家開發投資集團有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

Yangfu Feidong is held as to 0.05% by its general partner. The remaining limited partnership interest is held by two limited partners, among which Hefei Dongcheng Industrial Investment Co., Ltd. (合肥東城產業投資有限公司) (“**Hefei Industrial**”) and Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司) (“**Central Enterprise**”) holds 60.00% and 39.95%, respectively. Hefei Industrial is ultimately controlled by Feidong County Finance Bureau (肥東縣財政局) in Anhui province. Central Enterprise is held by over 110 shareholders, none of which holds 30% or more shareholding.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance with the Guide

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the [REDACTED] Investments; and (ii) the special rights granted to the [REDACTED] Investors will be suspended upon filing of a [REDACTED] and/or shall cease to be effective and be discontinued prior to the proposed [REDACTED], the Sole Sponsor confirm that the [REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

PRC Legal Advisor’s Confirmation

As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in respect of the [REDACTED] Investments in material aspects set out above.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including our [REDACTED] Investors) are prohibited from disposing of any of the Shares held by them.

Rule 18C.14 of the Listing Rules provides that certain persons and their respective close associates, as identified in the [REDACTED] document of a Specialist Technology Company, must not, and must procure that the relevant registered holder(s) must not, in the period commencing on the [REDACTED] and ending on the applicable dates upon the expiry of the period as prescribed under Rule 18C.14 of the Listing Rules, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares (including any direct or indirect interests held through shareholding platforms, except as permitted under Chapter 18C of the Listing Rules). The following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules at the time of the [REDACTED]:

Name	Capacity	Aggregate number of Shares held immediately following the completion of the [REDACTED]	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Lock-up period
<i>Key person and his close associates</i>				
Mr. Zhang Tianlei	Founder, one of our Controlling Shareholders, chairman of our Board, executive Director and chief executive officer	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Tianjin Zhuxian . . .	One of our Controlling Shareholders, a Shareholding platform controlled and managed by Mr. Zhang Tianlei	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Capacity	Aggregate number of Shares held immediately following the completion of the [REDACTED]	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Lock-up period
Tianjin Zhugan .	One of our Controlling Shareholders, a Shareholding platform controlled and managed by Mr. Zhang Tianlei	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Mr. Wang Xiaodong . . .	Core R&D team member	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Mr. Wang Chao	Core R&D team member	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Mr. An Lifeng .	Core R&D team member	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Mr. Liu Chao . .	Senior Management	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]
Mr. Bi Hongkui . . .	Senior Management	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of 12 months from the [REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Capacity	Aggregate number of Shares held immediately following the completion of the [REDACTED]	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Lock-up period
<i>Pathfinder SII</i>				
Anhui Kexun . .	Pathfinder SII	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of six months from the [REDACTED]
Zhuhai Yinshan . . .	Pathfinder SII	[REDACTED]	[REDACTED]	Commencing on the date of this document and ending on expiry of six months from the [REDACTED]

Note:

1. Tianjin Zhuxian is owned as to (i) 1.0% by Mr. Zhang Tianlei (its general partner) beneficially; and (ii) 99.0% by Mr. Yang Shuai (its limited partner and the Head of Marketing and Financing of our Company) for the benefit of the Incentive Units grantees under the [REDACTED] Share Incentive Scheme. Tianjin Zhugan is owned as to (i) 46.05% by Mr. Zhang Tianlei (its general partner) beneficially; and (ii) 26.25% by Mr. Wang Xiaodong, 16.30% by Ms. Li Bei, 5.25% by Mr. An Lifeng, 4.10% by Mr. Wu Haisheng and 2.05% by Mr. Wang Chao as limited partners. As Mr. Zhang Tianlei shall be subject to a lock-up period commencing from the date of this document and ending on expiry of 12 months from the [REDACTED], he undertakes that he will not dispose of his interests in the above partnerships under Rule 18C.14 of the Listing Rules within the aforementioned lock-up period.

Furthermore, as certain Incentive Unit grantees under the [REDACTED] Share Incentive Scheme, namely (i) Mr. Zhang Tianlei, Mr. Wang Xiaodong, Mr. An Lifeng and Mr. Wang Chao, our Directors and core R&D team members; and (ii) Mr. Liu Chao and Mr. Bi Hongkui, members of our senior management, shall be subject to a lock-up period commencing from the date of this document and ending on expiry of 12 months from the [REDACTED] pursuant to Rule 18C.14(1) of the Listing Rules, they undertake that they will not dispose of the partnership interests (as applicable) and their interests in the Incentive Units granted to them upon the exercise of their vested Incentive Units under Rule 18C.14 of the Listing Rules within the aforementioned lock-up period. For further details of the grant of Incentive Units to the aforementioned individuals under the [REDACTED] Share Incentive Scheme, please refer to “Appendix IV — Statutory and General Information — D. [REDACTED] Share Incentive Scheme.”

PUBLIC FLOAT

Assuming that the [REDACTED] is not exercised, based on an [REDACTED] of (i) [REDACTED] per [REDACTED] (being the minimum [REDACTED] of the indicative [REDACTED] range), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately [REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]; (ii) [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately [REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]; and (iii) [REDACTED] per [REDACTED] (being the maximum [REDACTED] of the indicative [REDACTED] range), the market capitalization of our Shares immediately upon [REDACTED] is expected to be approximately [REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately upon completion of the [REDACTED] (assuming the [REDACTED] of unlisted shares into H Shares is completed and the [REDACTED] is not exercised), the Company will have [REDACTED] H Shares, among which: (i) the [REDACTED] H Shares held by Mr. Zhang Tianlei, Tianjin Zhuxian, Tianjin Zhugan and Zhuhai Yinshan to be [REDACTED] from Unlisted Shares pursuant to the [REDACTED] of Unlisted Shares into H Shares of the Company and [REDACTED] on the Stock Exchange (representing approximately [REDACTED] of our total issued Shares upon [REDACTED]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as such Shares are held by our substantial shareholders and therefore constitute Shares held by core connected persons of our Company; (ii) the [REDACTED] H Shares to be [REDACTED] from Unlisted Shares pursuant to the [REDACTED] of Unlisted Shares into H Shares of the Company and [REDACTED] on the Stock Exchange (representing approximately [REDACTED] of our total issued Shares upon [REDACTED]). These H Shares are held by our [REDACTED] Investors (other than Zhuhai Yinshan), and will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [REDACTED] as these entities will not be core connected persons of our Company upon [REDACTED] nor are they accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons; and (iii) [REDACTED] H Shares will be [REDACTED] pursuant to the [REDACTED].

In light of above, immediately following the completion of the [REDACTED], the total number of the H Shares expected to be held by the public represents approximately [REDACTED] of the total issued share capital of our Company, thereby satisfying the public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the [REDACTED] Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this document shall not be counted towards the free float of the H Shares of the Company at the time of [REDACTED]. Based on the [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED], which represent approximately [REDACTED] of our Company's total number of issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Company will satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition or disposal.

[REDACTED] SHARE INCENTIVE SCHEME

In recognition of the contributions of our key employees and to incentivize them to further promote our development, we adopted the [REDACTED] Share Incentive Scheme, to award the partnership interest in our employee shareholding platforms to the scheme participants. The terms of the [REDACTED] Share Incentive Scheme are not subject to the provisions of Chapter 17 of the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Listing Rules as they do not involve any grant of Shares by our Company after our [REDACTED]. As of the Latest Practicable Date, Tianjin Zhuxian and Tianjin Zhugan are our employee shareholding platforms, both of which are controlled by its general partner, Mr. Zhang Tianlei.

As of the Latest Practicable Date, the Company has granted a total of 6,726,500 Incentive Units to 22 grantees pursuant to the [REDACTED] Share Incentive Scheme, corresponding to a total of 6,726,500 Shares of the Company. These Incentive Units were granted to two executive Directors, two senior management members, and 18 other grantees who are not Directors, senior management or connected persons of the Company. For further details, please refer to “Appendix IV — Statutory and General Information — D. [REDACTED] Share Incentive Scheme.

Tianjin Zhuxian

Tianjin Zhuxian was established as a limited partnership under the laws of the PRC on 28 April 2017. As at the Latest Practicable Date, Tianjin Zhuxian held 4.94% of our Shares, and its partnership structure was as follows:

Name	Position in the Group	Capacity of partnership interest in Tianjin Zhuxian	Approximate percentage of partnership interests
Mr. Yang Shuai (楊帥) . . .	Head of Marketing and Financing	Limited Partner	99.00%
Mr. Zhang Tianlei	Founder, one of our Controlling Shareholders, chairman of our Board, executive Director and chief executive officer	General Partner	1.00%

Tianjin Zhugan

Tianjin Zhugan is a limited partnership established under the laws of the PRC on April 10, 2020. As at the Latest Practicable Date, Tianjin Zhugan held 15.93% of our Shares, and its partnership structure was as follows:

Name	Position in the Group	Capacity of partnership interest in Tianjin Zhugan	Approximate percentage of partnership interests
Mr. Zhang Tianlei	Founder, one of our Controlling Shareholders, chairman of our Board, executive Director and chief executive officer	General Partner	46.05%
Mr. Wang Xiaodong	Executive Director and chief technology officer	Limited Partner	26.25%
Ms. Li Bei ⁽¹⁾	Consultant of the Group	Limited Partner	16.30%
Mr. An Lifeng	Executive Director and chief product officer	Limited Partner	5.25%
Mr. Wu Haisheng	Head of Technical Architecture	Limited Partner	4.10%
Mr. Wang Chao	Executive Director and president of the Qianzhan (前瞻) research academy	Limited Partner	2.05%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- Ms. Li Bei is an external consultant of the Group who specializes in the artificial intelligence sector. Since May 2020, Ms. Li provided strategic direction and development planning for AI applications in specific business areas such as autonomous driving logistics to the Group. Based on Ms. Li’s contributions through past services and her future long-term value to the Company, she was granted option incentives as an external consultant. Save for her service as an external consultant of the Group, Ms. Li does not have any other past or present relationships with the Company, its shareholders, directors or senior management, or any of their respective associates.

CAPITALIZATION OF OUR COMPANY

The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately upon the [REDACTED] (assuming the [REDACTED] is not exercised):

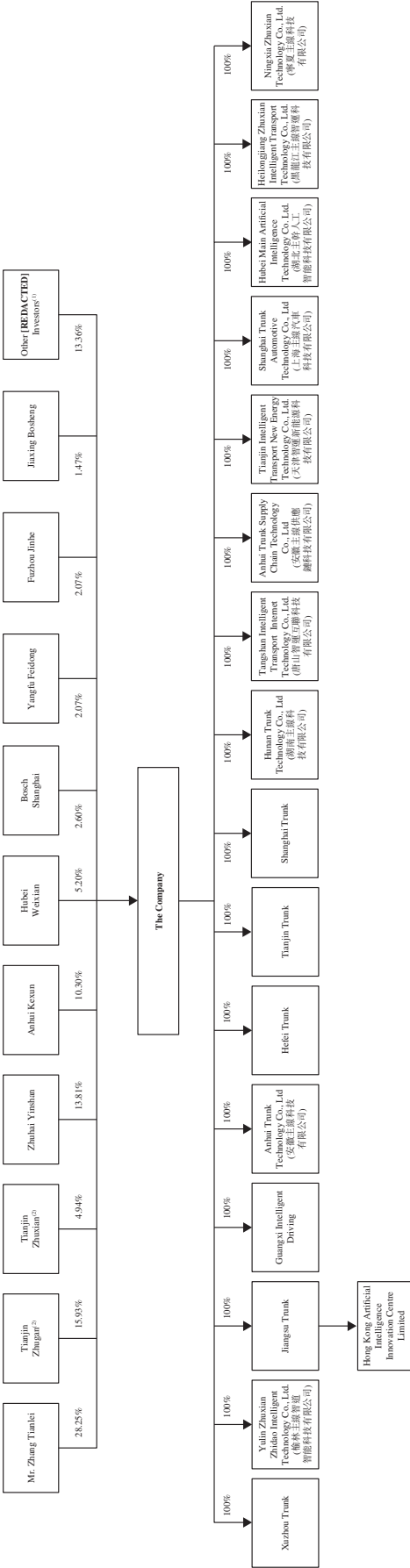
Name of Shareholder	Number of Shares as of the Latest Practicable Date	Ownership percentage as of the Latest Practicable Date	Number of Shares upon the [REDACTED]	Ownership percentage upon the [REDACTED]
<i>Controlling Shareholders</i>				
Mr. Zhang Tianlei	43,479,000	28.25%	[REDACTED]	[REDACTED]
Tianjin Zhugan	24,521,000	15.93%	[REDACTED]	[REDACTED]
Tianjin Zhuxian	7,602,500	4.94%	[REDACTED]	[REDACTED]
<i>Others Shareholders</i>				
Zhuhai Yinshan	21,262,500	13.81%	[REDACTED]	[REDACTED]
Anhui Kexun	15,850,000	10.30%	[REDACTED]	[REDACTED]
Hubei Weixian	8,000,000	5.20%	[REDACTED]	[REDACTED]
Bosch Shanghai	4,000,000	2.60%	[REDACTED]	[REDACTED]
Yangfu Feidong	3,190,100	2.07%	[REDACTED]	[REDACTED]
Fuzhou Jinhe	3,190,100	2.07%	[REDACTED]	[REDACTED]
Jiaxing Bosheng	2,265,000	1.47%	[REDACTED]	[REDACTED]
Zhuhai Zhonglin	2,141,700	1.39%	[REDACTED]	[REDACTED]
Guangzhou Yuexiu	2,141,700	1.39%	[REDACTED]	[REDACTED]
Weifang Anpeng	2,141,700	1.39%	[REDACTED]	[REDACTED]
Nanjing Dingqin	2,000,000	1.30%	[REDACTED]	[REDACTED]
Jiaxing Zhengtong	856,700	0.56%	[REDACTED]	[REDACTED]
Henan Guotou	1,285,000	0.84%	[REDACTED]	[REDACTED]
Shenzhen Hanggang	1,285,000	0.84%	[REDACTED]	[REDACTED]
Beijing Yingke	2,111,100	1.37%	[REDACTED]	[REDACTED]
Changzhou Bell Tower	2,111,100	1.37%	[REDACTED]	[REDACTED]
Yulin Yuxin	1,993,800	1.30%	[REDACTED]	[REDACTED]
Shunyi Shunxin	1,993,800	1.30%	[REDACTED]	[REDACTED]
Aviation Investment Kongdi . .	500,000	0.32%	[REDACTED]	[REDACTED]
Investors taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]
Total	153,921,800	100%	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure before the [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED].



Note:

- 1. The other [REDACTED] Investors include Zhuhai Zhonglin, Guangzhou Yuexiu, Weifang Anpeng, Nanjing Dingqin, Jiaxing Zhengtong, Henan Guotou, Shenzhen Hanggang, Beijing Yingke, Changzhou Bell Tower, Yulin Yuxin, Shunyi Shunxin and Aviation Investment Kongdi. For details of their shareholding, see “— Capitalization of our Company” in this section.
- 2. Mr. Zhang Tianlei is the general partner of each Tianjin Zhugan and Tianjin Zhuxian, the Company’s employee shareholding platforms.

BUSINESS

OVERVIEW

Who We Are

We develop and provide L4 autonomous truck solutions in the PRC. Our solutions are deployed across three commercial scenarios: Trunk Port (logistics hubs), Trunk Pilot (road freight) and Trunk City (urban transportation). These solutions incorporate three main product categories: AiTruck (autonomous trucks), AiBox (intelligent edge devices), and AiCloud (intelligent cloud platform and related intelligent cloud services). As of the Latest Practicable Date, we had cumulatively delivered 1,283 AiTrucks and 381 sets of AiBox, and had an order backlog of RMB236.0 million as of April 30, 2026. In September 2025, we were designated as a National “Specialized and New” Key Little Giant Enterprise (國家級專精特新重點小巨人企業), and we are among the first enterprises in the autonomous trucking sector to receive this accreditation. According to Frost & Sullivan, we ranked fourth among the providers of autonomous driving solutions for commercial vehicles in China in terms of revenue in 2025.

Functioning as a standardized autonomous driving platform across all solutions, our AiTrucker provides a unified algorithmic foundation for our deployments in logistics hubs, road freight and urban transportation. The vehicles utilized in our solutions consist primarily of autonomous trucks, supplemented by other types of commercial vehicles. According to Frost & Sullivan, we are among the early enterprises in the PRC with capabilities spanning: (i) proprietary full-stack L4 autonomous driving technology; (ii) vehicle-agnostic deployment capabilities; and (iii) commercial operations across diverse logistics scenarios.

We began by developing autonomous driving technologies specifically aimed at addressing the logistics needs of operators in ports and industrial zones. Building on our experience in such closed-road scenarios, we have expanded our products and solutions into road freight and urban transportation scenarios. We have established commercial cooperation with logistics hubs including seaports, river ports and inland ports, such as Tianjin Port, Ningbo-Zhoushan Port, and Zhengzhou Inland Port. We have also cooperated with logistics service providers in regions including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and Southwestern China, Northwest China and Shandong Province. We served 19, 38, and 51 customers for the years ended December 31, 2023, 2024 and 2025, respectively. Since the first half of 2025, we have been exploring international markets and adapting our proprietary autonomous driving products to local market requirements and regulatory frameworks.

Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025, representing a CAGR of 60.3%. Our gross profit increased from RMB16.4 million in 2023 to RMB93.3 million in 2025.

Industry Opportunities

According to Frost & Sullivan, the markets in which we operate are expected to grow, driven by technological advancement, industry demand and policy support. The demand for autonomous driving solutions for commercial vehicles in China is accelerating rapidly, driven by technological maturation and supportive national policies like the “14th Five-Year Plan”. According to Frost & Sullivan, the market size of China’s autonomous driving solutions for commercial vehicles in closed-road scenarios is projected to grow from RMB3.4 billion in 2026 to RMB29.6 billion by 2030, representing a CAGR of 72.0%. Concurrently, the market size for open-road scenarios is expected to increase from RMB17.3 billion in 2026 to RMB217.3 billion by 2030, representing a CAGR of 88.2%. In China, trucks — including both light and heavy trucks — accounted for more than 70% of all commercial vehicle sales in 2025, and this share is projected to rise to approximately 75% by 2030, driven by the sustained growth of logistics demand and the expanding adoption of intelligent truck technologies. This expansion is further supported by the development of “vehicle-infrastructure-cloud” integrated systems, which reached RMB20.7 billion in 2026 and are expected to reach RMB36.8 billion by 2030.

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Our unified AiTrucker system underpins a three-tier solution matrix corresponding to distinct market segments. Specifically, the Trunk Port segment corresponds to closed-road scenarios, while the Trunk Pilot and Trunk City segments correspond to open-road scenarios, with Trunk Pilot primarily addressing long-haul logistics and Trunk City focusing on intra-city environments.

COMPETITIVE STRENGTHS

We have established robust and multi-dimensional competitive barriers across talent, technology, products, markets presence and ecosystem collaboration, which collectively underpin our leading position in the industry of L4 autonomous trucks and support our long-term sustainable development:

Market leadership and early-mover advantages

Our operations cover three main commercial scenarios — logistics hubs, road freight and urban transportation, demonstrating a scale of operation that leads the domestic industry.

- (i) Technological Innovation: according to Frost & Sullivan, Trunk Port is the first driverless transportation system solution commercially deployed for ports in the PRC;
- (ii) Scenario Deployment: we participated in the planning, construction and operation of the intelligent container terminal at a major port in northern China, which is the world’s first “smart zero-carbon” terminal, according to Frost & Sullivan. As the core autonomous driving technology provider, we supplied the T-Movers essential for the terminal’s full-automated operation. Additionally, we contributed to building an autonomous driving demonstration zone in a major port in northern China, one of the first in the PRC. This project has been selected as a benchmark case for integration of the logistics and manufacturing industries by the National Development and Reform Commission of the PRC. We also helped establish an autonomous driving test and demonstration zone in a major port in eastern China, the world’s first open autonomous driving test area for ports featuring mixed operation scenarios of autonomous trucks and manual container trucks;
- (iii) Qualifications: we obtained the first road test license for intelligent connected commercial vehicles in the PRC and were among the first to receive notices for platooning driving tests on open public highways. We have also participated in the first national key R&D program on expressway platooning, as well as the first batch of national pilot application projects for expressway platooning.

These milestones not only validate our technological powers and execution capabilities but also support our brand recognition in the industry. By leveraging our deep operational know-how and proven track record across diverse scenarios, we have built established ongoing business relationships with major logistics partners, creating a foundation for the large-scale commercialization of our solutions.

Proprietary “One Driver” L4 system: foundation for scalable cross-domain commercialization

Our core technical strategy centres on developing AiTrucker, a L4 autonomous driving system designed to be scalable and generalizable. At the heart of this system is T-Master, our fully self-developed end-to-end AI model that integrates perception, cognition and decision-making within a unified inference stack. We utilize the complex mixed-traffic environments of logistics hubs as high-value data sources for algorithm training. By feeding the massive volume of corner cases captured in these closed-road scenarios back into our core algorithms, we significantly enhance the robustness of our perception and planning modules. This self-reinforcing data cycle creates a powerful synergy, enabling us to transfer autonomous driving capabilities to road freight

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scenarios with lower marginal R&D costs. Furthermore, we are actively exploring upgraded AI cognitive systems, represented by the World Model, to enhance our understanding of long-tail scenarios and lay a technical foundation for the development of L4 and higher-level autonomous driving.

We regard data as a strategic asset of equal importance to the AiTrucker system. As of the Latest Practicable Date, our AiTrucker has achieved commercial operation across multiple scenarios. The large volume of high-value data continuously fuels the self-evolution of our system through T-Yoga, our proprietary data closed-loop platform. T-Yoga establishes an automated, end-to-end pipeline spanning processing, training, simulation and OTA deployment.

Beyond single-vehicle intelligence, we have pioneered the Trunk CAFC Connected Autonomous Freight Convoy system, a system-level solution tailored for road freight. By integrating autonomous driving, V2V, V2X technology and cloud dispatching, this solution establishes a “1+N” hybrid platoon mode where one manned lead truck guides multiple autonomous following trucks.

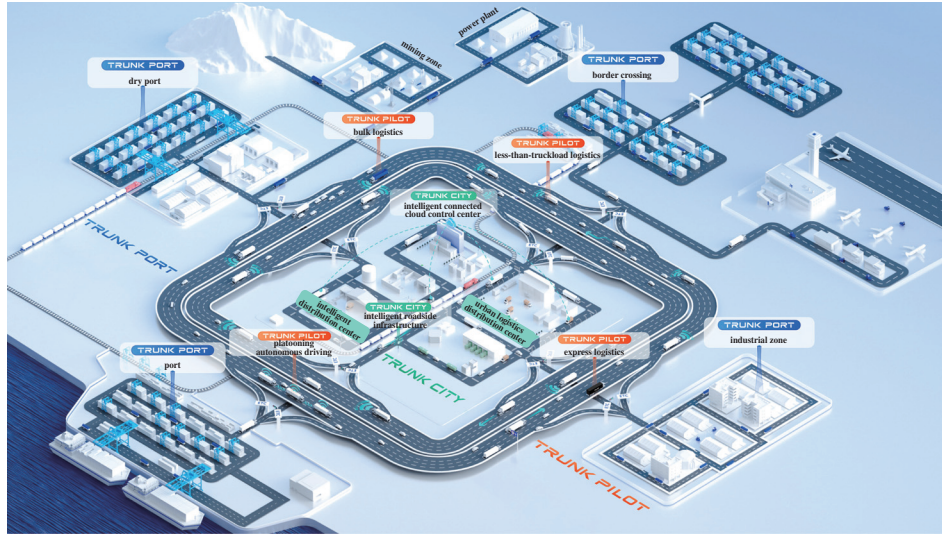
In short, our “One Driver” technology platform forms the bedrock of our long-term competitive advantage. By fusing cognitive intelligence with rapid data-driven iteration, we have created scalable solutions that improve logistics efficiency. This foundation solidifies our leadership in closed-road scenarios while driving accelerated expansion onto open roads, positioning us at the forefront of the industry’s shift to AI-driven logistics networks.

Integrated product ecosystem driving synergy and commercial scale across multiple scenarios

We have built an integrated product ecosystem centering on “AiTruck” (autonomous trucks), “AiBox” (intelligent edge devices) and “AiCloud” (intelligent cloud platform and related intelligent cloud services). This architecture allows us to provide customers with flexible, intelligent, reliable, and low-carbon services that address autonomous transport requirements for diverse scenarios and various weather conditions.

We have established an integrated business model that combines “logistics hubs” with “road freight”, which we believe differentiates us from certain market participants focused primarily on capacity provision. Leveraging our first-mover advantage in logistics hubs, the core nodes of the supply chain, we may gain earlier access to cargo flow information and customer demand at logistics hubs, which may facilitate downstream road freight opportunities. By integrating the data and operational interfaces of driverless solution in logistics hubs with autonomous trucking in road freight, we provide seamless and integrated logistics services. This operational model allows us to deeply embed our solutions into our clients’ supply chain management systems, which not only maximizes operational efficiency but also creates strong long-term ties with our clients that protect our market position.

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This capability to deliver highly customized solutions across these distinct scenarios has translated into rapid commercial adoption and market leadership.

An ecosystem supported by collaborations across the industry value chain

We have cultivated a comprehensive ecosystem supported by a roster of strategic investors and partners spanning automotive-grade hardware, software-algorithm platforms and logistics-operation networks, achieving full-chain integration from technological R&D to commercial deployment.

Our investor base includes investors such as GLP, Xunfei Ventures, NIO Capital, Bosch Group and BAIC Capital. These relationships provided us with not only capital support, but also industry collaboration resources. We leverage the distinct competitive advantages of our strategic partners to create a multiplier effect across every link of our value chain:

Together with commercial vehicle OEMs, AI companies and leading logistics operators, we have built a closed-loop partner ecosystem covering components and vehicle manufacturing, fleet solutions, capacity deployment, sales and after-sales, and industry standards, creating significant market barriers. We believe this approach enables us to reduce costs, gain deep insight into industry trends and customer needs, accelerate technology breakthroughs, identify new business opportunities and supports the advancement of the industry as a whole.

High-calibre talent base and R&D-driven culture powering continuous innovation

Tracing our origins to the National Key Laboratory of Tsinghua University, our founding team integrates academic expertise with robust industrial execution capabilities, enabling the translation of cutting-edge technologies into practical and commercially viable solutions.

Our Chief Scientist, Academician Li Deyi, is a Member of the Chinese Academy of Engineering and a top-tier expert in command and control, artificial intelligence and intelligent driving. As one of the earliest scholars studying in the UK after China's reform and opening-up, he holds a PhD from Heriot-Watt University, Edinburgh, UK, and has received numerous prestigious honours including the Wu Wenjun Artificial Intelligence Highest Achievement Award. Academician Li provides strategic guidance for product-oriented talent development, reinforcing our technology leadership and innovation capacity.

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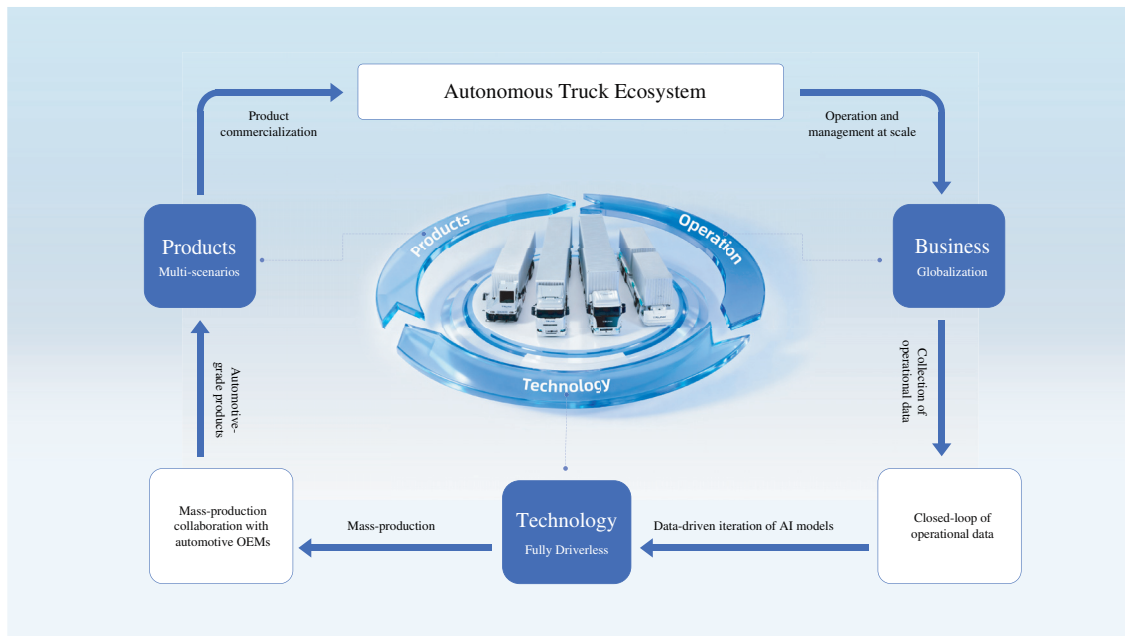
Our Founder, Chairman and Chief Executive Officer, Mr. Zhang Tianlei, graduated from the Department of Computer Science at Tsinghua University. As an expert in autonomous driving decision-making, planning, control and simulation, he also serves as Secretary-General of the Intelligent Driving Special Committee of the Chinese Association for Artificial Intelligence. With nearly 20 years of experience in the autonomous driving field, Dr. Zhang has participated in the development of more than 20 models of autonomous driving vehicles.

Our management team possesses extensive industry experience in autonomous driving, artificial intelligence and intelligent freight transportation. Our team features a distinctive “technology + industry” dual background: core members include both key researchers from top universities such as Tsinghua University and Peking University, and senior engineers who have previously worked in leading automotive enterprises and logistics technology companies. This integrated “industry — academia — research” model enables efficient end-to-end execution from technology development to product deployment and commercial validation.

We maintain long-term collaborations with leading institutions including Tsinghua University and China Artificial Intelligent Academy, continuously introducing frontier research resources and emerging talent to sustain innovation. Furthermore, we have established a systematic talent development framework that combines internal training with global recruitment, strengthening our innovation capacity on a continuous basis.

BUSINESS STRATEGIES

Drawing on long-term insight and practice in the artificial intelligence, trucks and logistics industries, we have built a growth strategy of fully driverless technology, multi-scenario products, and international expansion. We take technology as the driver for product innovation to propel business development; in turn, large-scale operational data and engineering know-how generated from large-scale deployment continuously feed back into technological breakthroughs, creating a self-reinforcing flywheel.



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Invest in the R&D to continuously enhance autonomous driving and intelligent transportation technologies

We will continuously invest in and iterate our autonomous driving and intelligent transportation technologies, with a focus on the following key areas: (i) centered on the “cognitive reasoning” approach and data closed-loop system, we will continuously refine the AiTrucker autonomous driving system; By leveraging the expanding real-world operational and simulation data, we aim to improve the system’s perception, prediction, decision-making and control performance in complex environments and long-tail scenarios, thereby reinforcing the stability and generalization capabilities of algorithms; (ii) we will iterate our domain controller platforms and software architecture to construct a more efficient and scalable onboard AI infrastructure, supporting faster algorithm iteration and OTA updates; (iii) we will continue to advance generalization of our technology to improve adaptability across diverse vehicle models and operating scenarios. We will strengthen the replicable application of our solutions across ports, industrial parks, road freight and urban logistics to enhance market coverage; and (iv) we will deepen our capabilities in cloud-based intelligent dispatching and platooning technology. By exploring the integrated innovation of intelligent robot technology in logistics, we aim to build a next generation of intelligent transportation system that is more efficient, autonomous and continuously evolving.

Promote mass production and multiple scenarios commercial deployment

We will strengthen collaboration with leading domestic and international commercial vehicle OEMs to drive hardware platform standardization and pre-installed mass production. Leveraging our robust engineering execution, we will support the automotive-grade, large-scale deployment of high-level autonomous driving systems.

We will continue to accelerate the deployment of autonomous trucks in road freight lines scenarios. For our Trunk City business, which is at an earlier stage of commercialization with pilot deployments currently underway, we will continue to analyze the operational environments and user demands of the urban market to develop tailored products, with a view to gradually expanding our application coverage in urban logistics.

Expand market reach, deepen strategic partnerships and pursue selective strategic investments

We will continue to build a strategic network comprising government authorities, state-owned enterprises and leading logistics enterprises. This approach aims to expand our customer acquisition channels while simultaneously enabling us to secure policy dividends, infrastructure resources, and core cargo sources. Consequently, it creates a market access barrier. We will continue to optimize our sales team under a resource-pooling and specialization-driven management model. By integrating business development personnel with technical pre-sales teams, we will create a unified sales system capable of coordinating multiple product lines to maximize project opportunities.

In addition, we will prudently pursue selective strategic equity investments in, or acquisitions of, technology-related companies in fields such as simulation testing and algorithm training, with the aim of strengthening our core technology synergies and addressing gaps in our technology stack.

Expand international presence and cooperation

We are pursuing international expansion, initially focusing on closed-scenario applications such as ports and industrial facilities in select overseas markets. We have established our presence in Singapore and are exploring opportunities in markets such as Dubai, Malaysia, Hong Kong, and Brazil. Our international strategy leverages our proven deployment track record in Chinese Mainland and our partnerships with established industrial groups to facilitate market entry. We plan

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to build sales and technical service teams with international experience and to collaborate with our ecosystem partners to develop solutions tailored to local infrastructure and regulatory requirements. See “— Business Sustainability — International Expansion.”

Attract and cultivate world-class talent

We will continue to recruit top talents with international perspectives and cutting-edge technical capabilities in autonomous driving, artificial intelligence and intelligent logistics. We have established a core reward mechanism featuring competitive compensation and equity incentives, aligning talents’ contributions with long-term corporate value. Meanwhile, through systematic talent training programs, we focus on cultivating core technical leaders in autonomous driving and intelligent logistics. The establishment of a sound expert training mechanism will help strengthen the stability of our core technical team, improve R&D capabilities in key areas, and better support the tackling of cutting-edge technological challenges and product innovation.

OUR TECHNOLOGIES

We leverage proprietary artificial intelligence technologies as the core driver to construct a full-stack autonomous driving technology system for trucks. We believe the industry is undergoing a leap from “perceptual intelligence” to “cognitive intelligence”, where the competition focus has shifted from algorithm accuracy to system-level intelligence and mass production capabilities.

Based on this insight, our independent R&D adheres to a “cognitive reasoning” approach. This approach facilitates a leap from environmental perception to complex behavioral decision-making via deep reasoning models, evolving the system from passive response to active understanding and prediction. Unlike traditional models reliant solely on statistical learning, our technology architecture prioritizes modeling the logical reasoning of human drivers, achieving a higher level of safety and decision reliability. This technical path represents the “third phase” of AI evolution and serves as the theoretical foundation of our autonomous driving system.

Ultimately, we have established a verifiable, scalable and mass-producible technical pathway that spans from single-vehicle intelligence to multi-vehicle collaboration, and from algorithm R&D to data closed-loop. This lays a solid foundation for building an intelligent and low-carbon AI-powered transportation network.

AiTrucker — Autonomous Driving System

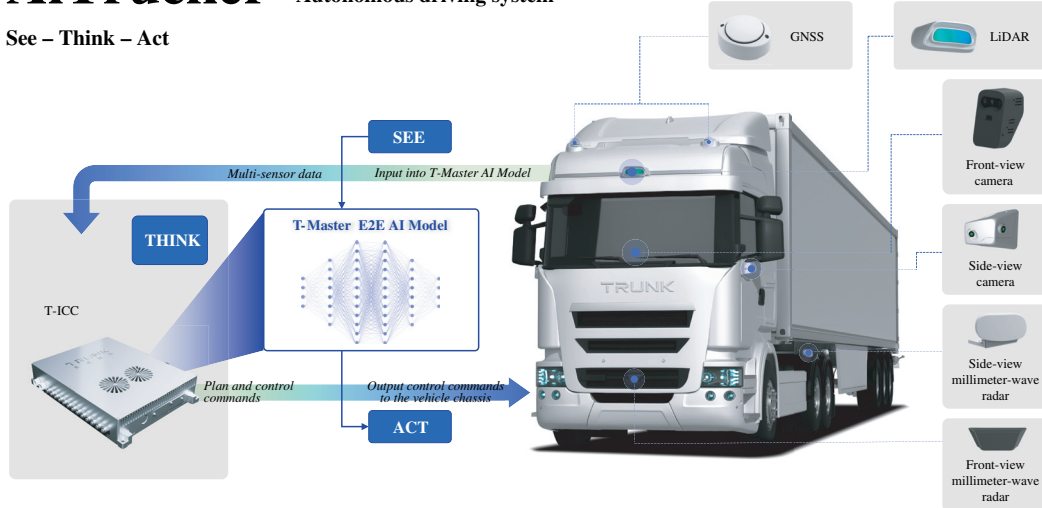
AiTrucker is our proprietary high-level autonomous driving system specifically designed for trucks in complex transportation scenarios, such as ports and road freight. As the operational embodiment of our self-developed core AI model, T-Master, AiTrucker represents our “cognitive reasoning” approach. Our AiTrucker system is continuously evolving. Mirroring human cognition, AiTrucker integrates the capabilities of “See”, “Think” and “Act” under a “Modular End-to-End” architecture. This architecture allows for global joint optimization, where the entire pipeline — from raw sensor data to final actuation — is trained and refined as a unified whole based on control precision. Consequently, AiTrucker executes environmental perception, semantic understanding, risk judgment, path planning and vehicle control within a single neural network, maximizing the efficiency of data-driven iterations and achieving a closed-loop from understanding the world to executing safe manoeuvres.

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AiTrucker

Autonomous driving system

See – Think – Act



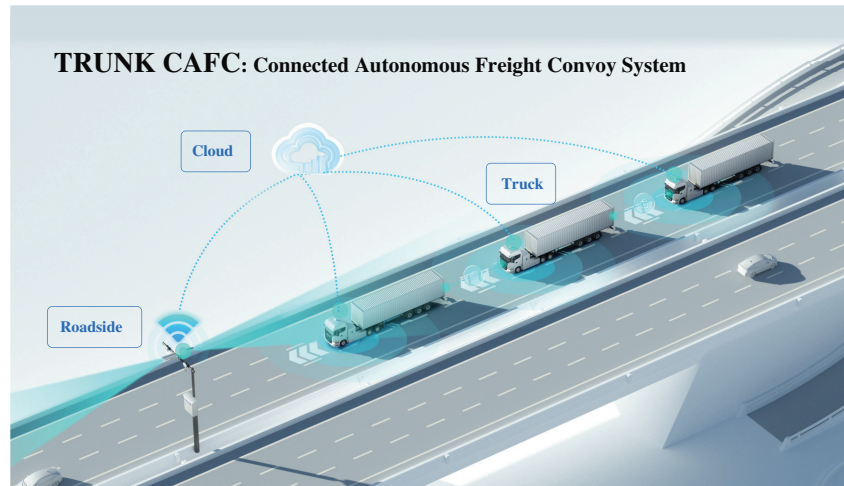
- **See: Multi-Modal Fusion Intelligent Perception.** AiTrucker achieves comprehensive environmental awareness through deep multi-sensor fusion. By aligning sensor data across temporal and spatial dimensions, the system can “see through” occlusions to predict the movement of dynamic targets. Furthermore, our proprietary high-precision cooperative positioning algorithm maintains centimeter-level accuracy even in GNSS-signal-constrained environments (such as container yards or tunnels), providing a reliable spatial foundation for operations.
- **Think: Cognitive Reasoning and Decision Planning.** The system’s intelligence is powered by our T-Master model, which serves as the ‘brain’ of the system, processing multi-modal perceptual information and traffic rules to directly output operation intentions. Unlike traditional fragmented stacks, T-Master incorporates a safety reasoning framework to ensure all decisions (such as lane changing or obstacle avoidance) comply with traffic regulations and safety boundaries. The model’s evolution is driven by our T-Yoga closed-loop platform, which utilizes self-supervised learning to accelerate algorithm iteration cycles from months to weeks.
- **Act: Precise Control and Safe Execution.** We translate cognitive decisions into stable and safe driving actions through adaptive control strategies specifically engineered for heavy trucks, addressing challenges such as large mass inertia and load variations. Our system complies with the ISO 26262 ASIL-D functional safety standard, employing redundant designs across perception, computing, and execution to ensure that decision intentions are accurately executed even in the event of component anomalies.

Our cloud infrastructure possesses efficient data throughput and model iteration capabilities. We handle approximately 2TB of data per vehicle daily and can complete the dismantling, processing, and storage of full 24-hour datasets for five vehicles within 48 hours. To address hardware and software obsolescence, we adopt an asset-light strategy by leasing mainstream cloud resources, allowing for flexible upgrades and secure data lifecycle management without the risks associated with proprietary hardware ownership.

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Trunk CAFC Connected Autonomous Freight Convoy System

Trunk CAFC is our proprietary system-level autonomous driving solution designed for road freight, integrating autonomous driving with V2V and V2X technologies. The cornerstone of this system is the “1+N” hybrid platoon mode, a formation where one manned lead truck guides multiple autonomous following trucks. This configuration significantly reduces labor costs and energy consumption while ensuring adherence to traffic regulations.



- *Platoon-Level Beyond-Visual-Range Perception and Cognition:* Beyond individual vehicle sensors, the system utilizes a low-latency V2V network to share perceptual data. This constructs a dynamic “beyond-visual-range” situational map, allowing following trucks to proactively respond to road conditions ahead of their physical line of sight.
- *Distributed Cooperative Decision-Making and Control:* The platoon operates as a distributed cooperative network. Vehicles synchronize acceleration, braking, and lane-keeping within milliseconds. Crucially, if communication is interrupted, following trucks can seamlessly revert to independent L4 autonomous driving, ensuring system robustness.
- *“Vehicle-Infrastructure-Cloud” Integrated Scheduling System:* The system integrates with roadside intelligent perception units and our cloud platform for dynamic scheduling and energy optimization. RSUs provide perception redundancy by transmitting real-time data from roadside sensors to the vehicle, supplementing onboard awareness in blind spots such as highway ramps.

Our Trunk CAFC system has demonstrated stability in multiple national-level intelligent transportation pilot projects, achieving high control accuracy and significant energy savings in real-world operations. In highway scenarios, our Trunk CAFC Connected Autonomous Freight Convoy System has demonstrated excellent control accuracy and stability. During high-speed operation, our perception algorithms are able to achieve an effective detection accuracy exceeding 99.99% for various motor vehicles (including trucks, vans, passenger cars and motorcycles) within a 100-meter range. Under typical conditions at 60 km/h, trajectory-tracking lateral deviation is no greater than 15 cm on straight segments and no greater than 25 cm on curves, and driver-out operation has been achieved for following trucks. Based on our typical operational data, our Trunk CAFC Connected Autonomous Freight Convoy System can achieve approximately 5% energy saving and carbon emission reduction in road freight scenarios, significantly improve road capacity and traffic flow stability.

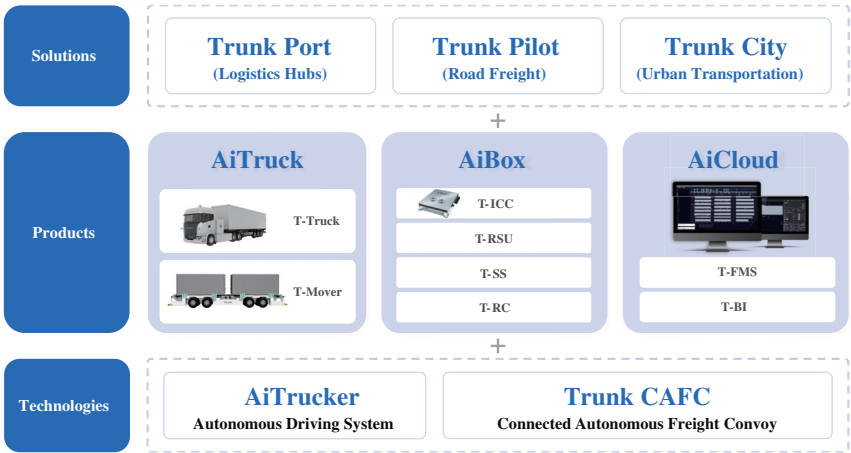
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OUR SOLUTIONS AND SERVICES

Centering on a “vehicle-edge-cloud” integrated architecture, we have built a comprehensive product matrix comprising AiTruck (autonomous trucks), AiBox (intelligent edge devices), and AiCloud (intelligent cloud platform and related intelligent cloud services). This portfolio delivers end-to-end autonomous driving solutions across our three core scenarios: logistics hubs (Trunk Port), road freight (Trunk Pilot), and urban transportation (Trunk City).

- **AiTruck (autonomous trucks):** Integrated with our proprietary AiTrucker system, our autonomous trucks are capable of executing complex L4 driving tasks across diverse environments. They serve as the primary execution units for our logistics solutions.
- **AiBox (intelligent edge devices):** These devices provide essential computing, perception, and V2X communication capabilities. AiBox connects vehicles with roadside infrastructure and the cloud, enabling the real-time data transmission required for cooperative driving.
- **AiCloud (intelligent cloud platform and related intelligent cloud services):** Serving as the central command hub, AiCloud undertakes unified fleet scheduling, safety supervision, and data analysis to support large-scale operations.

The diagram below illustrates our core product matrix and solutions, underpinned by our core technologies:



Application of Our Technologies to Our Products and Solutions

Our core technology portfolio operates through a cohesive framework comprising single-vehicle intelligence, fleet collaboration, and data closed-loop. Specifically, our AiTrucker autonomous driving system serves as the engine for single-vehicle intelligence, while our Trunk CAFC technology extends this capability to fleet collaboration through intelligent connectivity. Our T-Yoga platform completes the cycle by facilitating data feedback, training, and simulation verification, forming a closed loop for continuous iteration and OTA deployment. This integrated framework underpins the scalable deployment of our product matrix comprising AiTruck, AiBox, and AiCloud across diverse commercial scenarios.

At the product level, our AiTrucks, applying the AiTrucker autonomous driving technology and integrating AiBox (such as T-ICC), achieve autonomous driving and safe execution in different application scenarios such as ports, industrial parks, and road freight. Our AiBox intelligent edge devices provide essential computing, perception, control, and communication capabilities,

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connecting vehicles, roadside infrastructure, and the cloud into a collaborative network. Complementing these, our AiCloud serves as the central command hub, undertaking unified scheduling, safety supervision, and data analysis to support large-scale fleet operations and continuous algorithm iteration.

At the solution level, taking our Trunk Port solution as an example, our AiTrucks equipped with the AiTrucker autonomous driving technology perform driverless tasks, while AiBox provides data exchange and communication services among the port infrastructure, AiTrucks and AiCloud, allowing AiCloud to execute command dispatching and safety management. Such desensitized operational data flows into the T-Yoga platform for training and simulation verification, after which validated model and strategy updates are fed back to AiTrucks via OTA technology, creating an operations-driven cycle of continuous evolution. Similarly, in Trunk Pilot solution, our Trunk CAFC technology extends single-vehicle capabilities to fleet collaboration, enabling platooning, dynamic convoy formation, and remote scheduling, all of which are continuously verified and iterated by our cloud-based closed-loop system to ensure controllable and replicable large-scale deployment.

Our Key Products

AiTruck

AiTruck represents our intelligent truck portfolio, co-developed through strategic cooperation with mainstream commercial vehicle manufacturers. Through a dual-track model combining platform-based integration and scenario-specific specialization, we have completed system integration with manufacturers across drive-by-wire chassis, whole-vehicle control architecture, electrical redundancy and safety strategies. This realization of an engineering closed-loop, from algorithms programming to mass production, ensures our L4 autonomous driving capabilities to meet the rigorous standards required for large-scale commercial deployment. Our AiTruck is compatible with vehicle models from multiple OEMs and supports integration with OEMs’ HMI software, demonstrating robust system compatibility. Our portfolio currently comprises the T-Truck and T-Mover, with T-Van under development.

- T-Truck: Designed for both road freight and closed-road scenarios (such as ports), T-Truck is equipped with our AiTrucker system and T-ICC domain controller. It integrates a multi-sensor fusion suite (LiDAR, millimeter-wave radar, cameras) to support L4 autonomous operations. T-Truck supports diverse powertrains (diesel, electric, hydrogen) and features a standard cabin design, allowing it to operate independently as an autonomous vehicle or as a manned lead truck in a platoon. Key advantages include 7x24-hour all-weather operation, cloud-based remote safety monitoring, and compatibility with multiple OEM platforms.

Our T-Truck has a designed lifecycle of approximately 5 years, with designed life cycle of the vehicle battery not exceeding 1 million kilometers.

- T-Mover: An L4 driverless transport robot with a cockpit-less design, engineered specifically for high-intensity, closed-road environments like container terminals. It features an omnidirectional drive chassis for high flexibility (minimum turning radius of 6,500mm) and a maximum load capacity of 65 tons. T-Mover supports fully automated workflows, including heavy-load handling and automatic charging, and integrates seamlessly with port TOS and warehouse WMS systems.

Our T-mover has a designed lifecycle of approximately 8 to 10 years, with designed life cycle of the vehicle battery not exceeding 1 million kilometers.

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AiBox

AiBox is our proprietary series of core intelligent edge devices designed to anchor the “vehicle-infrastructure-cloud” collaborative system, providing the computing and communication backbone for our solutions. Our AiBox described below (including T-ICC, T-RSU, T-SS, and T-RC) has a designed lifecycle of approximately 5 years.

- T-ICC (intelligent computing): An automotive-grade domain controller that serves as the hardware engine for AiTrucker, processing real-time perception and control data with high redundancy.
- T-SS (sensor suite): A pre-integrated, fully calibrated suite of LiDARs, cameras, and radars designed to withstand rigorous operating conditions.
- T-RSU (roadside unit): Deployed at critical infrastructure nodes, T-RSU integrates perception and V2X communication to broadcast “beyond-visual-range” data to vehicles, eliminating blind spots. T-RSU transmits real-time data captured by external roadside sensors to vehicles, allowing them to cross-reference and validate their onboard perception results, which supplements local situational awareness by providing a broader view that overcomes line-of-sight obstructions in blind-spot environments. Depending on customer requirements, we either provide direct installation and maintenance services for T-RSU or train their in-house teams to handle these tasks independently.
- T-RC (remote cockpit): A remote monitoring terminal that allows operators to oversee fleets and execute remote takeovers via 5G when human intervention is required.

AiCloud

AiCloud is our intelligent cloud platform and related intelligent cloud service suite that serves as the central command hub for autonomous operations, and forms the cloud layer of our integrated vehicle-infrastructure-cloud solutions. AiCloud comprises an overall platform architecture covering vehicles, vehicle-cloud connectivity and a smart operation platform, and enables unified scheduling, safety management, and data analysis and other operational support functions. Depending on customer needs and the relevant business scenario, AiCloud may provide modular services, certain customized development services and scenario-specific functional modules.

The core of this suite is T-FIT (Fleet Intelligent Transport System), a one-stop operational platform compatible with mainstream TOS systems. T-FIT comprises two primary subsystems: T-FMS (Fleet Management System) and T-BI (Business Intelligence). T-FMS handles real-time command and scheduling through modules such as Equipment Control (for monitoring asset health), Vehicle Scheduling (for optimizing paths and resources), and Task Command (for transmitting control instructions). Complementing this, T-BI provides data governance and visualization through its Digital Twin module (offering real-time panoramic monitoring), Safety Management module (for risk detection and warning), and Statistical Analysis module (generating performance insights for efficiency improvements).

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The table below sets forth our major products, solutions and services offered in each of the three key solutions:

	Trunk Port	Trunk Pilot	Trunk City
Business Model Products and Services	Project-based Solution Delivery Driverless transportation solution, being a customized combination of autonomous trucks, autonomous driving kits and systems, solution consulting, and operation and maintenance services (including operation services for autonomous trucks under sale-and-leaseback arrangements).	Project-based Solution Delivery Autonomous trucking solution, being a customized combination of autonomous trucks, autonomous driving kits and systems (including platooning system), cloud system services. Additionally, we provide autonomous trucking capacity services.	Project-based Solution Delivery Intelligent transportation solution for urban transportation, being a customized combination of “vehicle-edge-cloud” integrated system, operational and cloud services, and solution consulting.
Charging Basis	1. One-off Solution Fee: primary revenue from total solution delivery. 2. L4 Upgrade Fee: revenue from hardware (AiBox) and software upgrades. 3. O&M/Tech Support Fee: fees for maintenance and support in specific projects.	1. One-off Solution Fee: primary revenue from total solution delivery. 2. L4 Upgrade Fee: revenue from hardware (AiBox) and software upgrades. 3. Tech Service Fee: fees charged for the provision of autonomous trucking capacity services.	Project Contract Price ⁽¹⁾ ; revenue is based on the total fixed contract value for the integrated solution or demonstration project.
Customer Type Contracts Profile (revenue recognized during the Track Record Period) Payment Terms	Corporate customers Number: 59 Duration: Typically 1 to 12 months (by order). Milestone-based payments: (i) Signing; (ii) Delivery & acceptance; (iii) Monthly installments; and/or (iv) Warranty expiration.	Corporate customers Number: 74 Duration: Typically 1 to 12 months (by order). Milestone-based payments: (i) Signing; (ii) Delivery & acceptance; (iii) Monthly installments; and/or (iv) Warranty expiration.	Corporate customers/Government Number: 2 Duration: Typically 1 to 12 months (by order). Milestone-based payments: (i) Signing; (ii) Delivery & acceptance; and/or (iii) Warranty expiration.

Note:

- (1) As Trunk City is at an early stage of commercialization, revenue is currently derived from fixed project contract prices. As operations mature, we expect to introduce recurring service fees for cloud platform maintenance and system upgrades.

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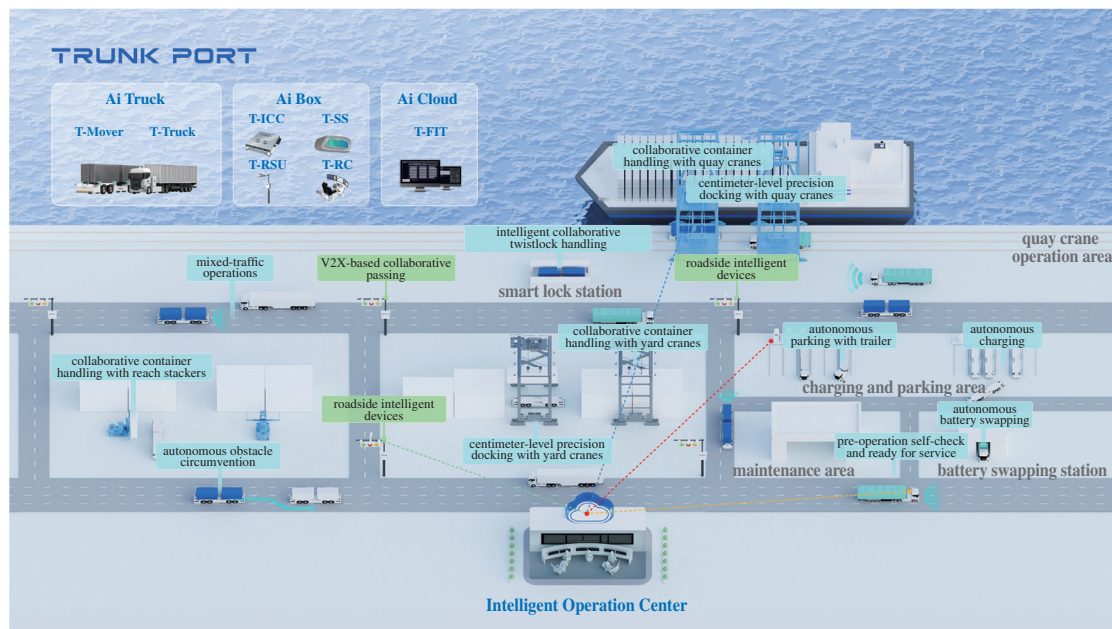
Our AI and autonomous driving technologies underpinning our autonomous driving solutions fall under the acceptable sector of “advanced hardware and software,” respectively, that are included in the list of Specialist Technology Industries set out in Chapter 2.5 of the Guide for New Listing Applicants. See “Summary — Specialist Technology Products”. Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that based on the information above, each of our solutions falls within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules.

Trunk Port

Overview

Trunk Port is our turnkey driverless transportation solution tailored for logistics hubs. The target market covers seaports, river ports, inland ports, border crossings, as well as production and commercial service hubs such as large factories, manufacturing bases, warehousing and logistics parks and distribution centers. According to Frost & Sullivan, Trunk Port is the first driverless transportation system solution commercially deployed for ports in the PRC, and we are the first autonomous driving company in the industry to achieve fully driverless, weather adaptive and end-to-end operations in heavily mixed-traffic port environments.

The Trunk Port solution systematically addresses critical operational challenges such as transportation safety, capacity guarantee, cost control and transportation efficiency, helping customers transform into green, intelligent and modern logistics nodes.



Built upon our unified “vehicle-edge-cloud” product platform, Trunk Port delivers a complete closed-loop ecosystem spanning hardware, software and operation services:

- **Vehicles (AiTruck):** Our T-Truck intelligent trucks and T-Mover intelligent transport robots are purpose-built for logistics hub scenarios. Equipped with the AiTrucker L4 autonomous driving system, these trucks achieve 7x24-hour weather-adaptive driverless autonomous operation in complex and high-dynamic environments with mixed traffic.
- **Edge (AiBox):** AiBox serves as our unified edge computing hardware architecture deployed across both vehicle-side and roadside positions. Vehicle-side AiBox provides autonomous driving perception and decision-making capabilities, while roadside AiBox

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(T-RSU) provides intelligent connectivity for road infrastructure. Utilizing AiBox intelligent edge devices, we digitize and intelligently network the customer’s existing infrastructure and conventional equipment (such as quay cranes, yard cranes, mobile machinery and manual vehicles). This enables the seamless integration of L4 driverless fleets into the customer’s existing human-machine mixed operation workflows.

- Cloud (AiCloud): Through the T-FIT intelligent transport system, we establish digital connectivity with third-party systems such as the port’s TOS and Control Management Systems (“CMS”), achieving full-process automation and data synchronization between driverless trucks and key operation nodes. T-FIT handles mixed path planning for structured and unstructured road scenarios, supporting the coordinated operation of L4 autonomous vehicles and manually driven vehicles to ensure safety and traffic efficiency.

As Trunk Port operates in closed hub environments where vehicles are classified as special equipment and are not subject to road-testing licence requirements, the AiBox configuration is determined by the product type selected and the readiness of the operating environment for unmanned operations: (i) where our T-Mover product is selected, vehicles are delivered with an AiBox comprising T-ICC and T-SS, with roadside infrastructure equipped with an AiBox comprising T-RSU and remote operations supported by T-RC, and L4 functionalities are activated upon delivery; (ii) where our T-Truck product is selected and the hub environment is suitable for unmanned driving operations, the configuration mirrors that of T-Mover, with L4 functionalities activated upon delivery; or (iii) where our T-Truck product is selected but the hub environment is not yet suitable for unmanned driving operations, vehicles are initially delivered with an AiBox comprising T-ICC and a reduced-specification T-SS. Following completion of the necessary site modifications, we provide an upgrade solution, under which roadside infrastructure equipped with an AiBox comprising T-RSU and remote operations supported by T-RC are deployed, the vehicle-side AiBox is upgraded to the full L4 specification, and L4 functionalities are activated.

The Trunk Port solution has achieved large-scale commercial operation in large logistics hubs. Operational data from these national benchmark projects demonstrates quantifiable value to customers:

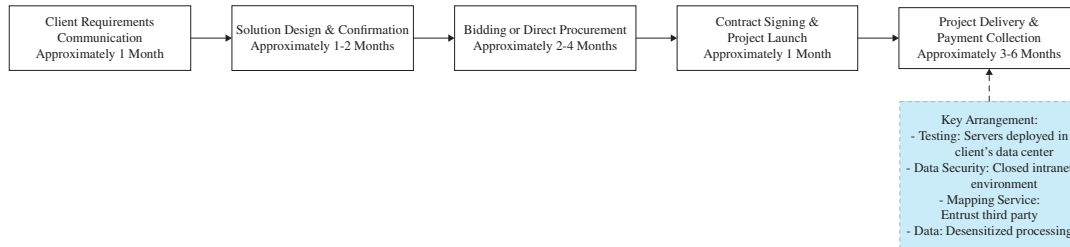
- Cost reduction: features “plug-and-play” deployment with multi-scenario adaptability, allowing customers to recover their investment within one to three years, with full-lifecycle operating costs reduced by approximately 25% to 35% (driven by an approximately 15% reduction in energy consumption and an approximately 80% reduction in driver-related costs);
- Operational efficiency: optimize workflow via AI dispatching algorithms, helping increase the operational efficiency of the port by approximately 20% to 30%;
- Safety enhancement: leverages multiple perception redundancies and safety mechanisms to reduce relevant safety incidents by approximately 90%. Our target to reduce safety incidents by 90% is consistent with industry-leading standards and the consensus that over 90% of road accidents result from human error; and
- Sustainability: compatible with new energy vehicle models, it integrates intelligent energy consumption optimization algorithms to advance green and low-carbon development goals.

Our Trunk Port solutions are primarily provided on a project basis. We primarily deliver the solution through an asset-light operation service model. Under this model, customers purchase and retain ownership of the hardware assets, while we provide system deployment, operation process design and ongoing Trunk Care services to ensure continuous and efficient system operation.

BUSINESS

The Trunk Care operation and maintenance services for Trunk Port covers professional on-site services (including deployment and initial operation), full-process operation services (including daily operation and troubleshooting), one-stop product services (including OTA upgrades, remote operation and maintenance and ecological product support) and comprehensive training services (including technical and safety training).

The flow chart below illustrates the key steps and arrangements of our project delivery process:



For the years ended December 31, 2023, 2024 and 2025, we provided solutions to six, 16 and 19 customers under Trunk Port, respectively. Payment terms for the sale of our solutions typically require customers to make payments upon signing the contract, acceptance of product delivery, and/or expiration of the warranty period. For the provision of services, we typically invoice customers on a monthly basis. For the years ended December 31, 2023, 2024 and 2025, revenue generated from Trunk Port amounted to RMB40.0 million, RMB181.9 million and RMB127.5 million, respectively.

Use Cases

A Major Port in Northern China

We participated in the construction of an intelligent container terminal at a major port in northern China which is the world’s first “smart zero-carbon” terminal according to Frost & Sullivan. Commencing operations in late 2021, this project marks a milestone in the port industry’s transition toward intelligence and green operations. As the provider of autonomous driving technology, we fully participated in the planning, construction, and operation of this pilot project, and supplied T-Movers, which is a key component for realizing the terminal’s full-automated operation.

To address challenges such as complex environment, severe weather resilience, and system integration, we deployed a comprehensive solution combining our proprietary driverless driving technology with an AI-driven intelligent transportation management system. By leveraging Beidou satellite navigation and 5G network, our system connects T-Mover with yard gantry cranes and quay cranes. This integration realizes real-time information exchange and automatic generation of optimal loading and unloading plans, ensuring efficient, weather-adaptive operation without manual intervention. Our Trunk Port solution has significantly improved the terminal’s overall operational efficiency. Compared with traditional terminals, the automated process has increased overall operational efficiency by approximately 20%. During the entire operational period, the average manual takeover rate of AiTrucks was less than 0.05%, demonstrating the high reliability and stability of our solutions.

BUSINESS

A Major Port in Eastern China

We have played a key role in the construction of the intelligent horizontal transportation system for the container terminal of a major port in Eastern China, which ranks first globally in terms of cargo throughput in 2024. This project is one of the world’s few fully automated container terminal operating in an open, mixed-traffic environment. In 2024, this project realized the regular operation of the full-process automated operation with automated rail-mounted gantry cranes, intelligent container trucks and remote-controlled quay cranes.

This project faces significant challenges: it covers a land area of over 200 hectares, with multiple berths of 100,000 DWT and above, and dense daily traffic flow. Intelligent container trucks need to operate in high mixed traffic with manual internal container trucks, external container trucks, flow machinery, and non-production vehicles, as well as challenges such as severe global navigation satellite system signal blockage (“GNSS”) under quay cranes and dynamic changes in empty containers and yard environments.

Facing such complex working conditions, we provided driverless transportation solutions centered on AiTruck, AiBox and AiCloud. The intelligent vehicles provided are equipped with a multi-sensor fusion system comprising LiDAR, millimeter-wave radar, vision cameras, and a high-precision GNSS/IMU navigation system. Integrated with dynamic point cloud maps and a bird’s eye view (BEV) perception architecture, the system achieves 360-degree, centimeter-level environmental modeling and high-robustness positioning. In high-risk areas such as quay crane blind spots and intersections, the system can accurately predict the intentions of manually driven vehicles, thereby ensuring safe passage.

This project has successfully addressed the implementation challenges faced by traditional terminals, such as the inability to fully enclose, difficulties in reconstruction and separation of operational areas, providing a replicable and scalable mixed-traffic autonomous driving solution for the intelligent upgrading of existing ports worldwide.

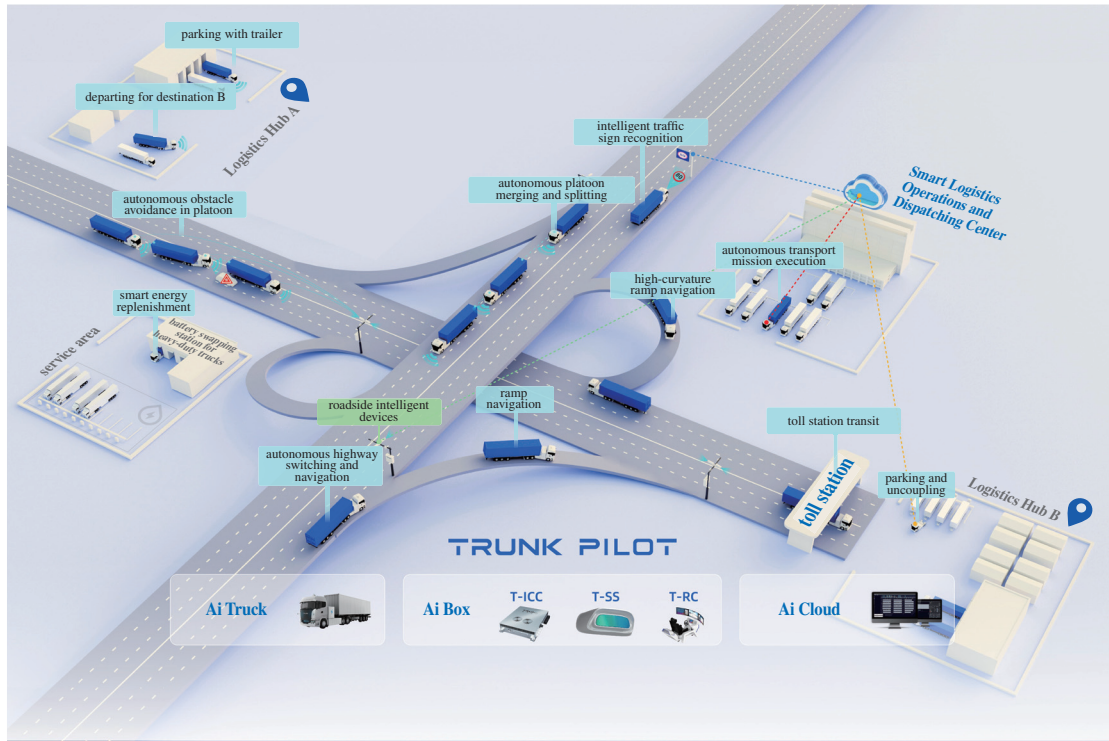
Trunk Pilot

Overview

Trunk Pilot is our autonomous trucking solutions designed for road freight, targeting core sectors including express delivery, LTL freight, bulk cargo, refrigerated freight and short-haul drayage. We obtained the first road test license for intelligent connected trucks in the PRC, and were among the first to receive notices for platooning driving tests on open high-speed public roads, and our Trunk Pilot is among the first solutions in China to achieve interprovincial autonomous truck platooning.

This solution systematically addresses the fundamental challenges facing the road freight industry: rising labor costs, high energy consumption, safety hazards associated with long-distance driving, and the structural conflict between delivery timeliness and regulatory compliance.

BUSINESS



Built upon the same “vehicle-edge-cloud” product platform, Trunk Pilot provides customers with safe, economical, efficient and low-carbon autonomous driving solutions:

- **Vehicle (AiTruck):** Our T-Truck intelligent trucks are equipped with the AiTrucker system, providing single-vehicle intelligence covering L2-L4 autonomy.
- **Edge (AiBox):** Vehicle-side AiBox enables autonomous driving capabilities at various levels depending on configuration. AiBox also integrates our Trunk CAFC Connected Autonomous Freight Convoy technology, enabling platooning operations consisting of one human-assisted lead truck and multiple autonomous following trucks (the “1+N” mode). Roadside AiBox (T-RSU) may also be deployed where vehicle-to-infrastructure connectivity is required to support L4 operations.
- **Cloud (AiCloud):** The T-FIT intelligent transport system manages dynamic task assignment and path planning of both single vehicles and platoons, seamlessly connecting with customers’ Transportation Management Systems (“TMS”). T-FIT integrates the T-RC remote control terminal, enabling efficient remote management and safety monitoring of fleets.

Depending on the regulatory status of our customers, AiTrucks may be delivered in the following configurations: (i) in regions where the customer has already obtained the requisite regulatory permits for L4 autonomous driving operations, vehicles are delivered with a full-specification AiBox comprising T-ICC, T-SS and T-RC, equipped with the complete L4 sensor suite, and L4 functionalities are activated upon delivery; (ii) vehicles pre-installed with an AiBox comprising T-ICC and T-SS but with L4 functionalities not yet activated, where the vehicle operates at L2 level until the customer obtains the requisite regulatory permits to activate L4 capabilities; or (iii) vehicles delivered with an AiBox comprising T-ICC and a reduced-specification T-SS, enabling L2-level autonomous driving only. Once the customer obtains the necessary permits, we provide an upgrade solution under which the AiBox sensor suite is upgraded to the full L4 specification, roadside and remote infrastructure are deployed, and L4 functionalities are activated. The timing of activation of L4 functionalities and related infrastructure deployment depends on the regulatory status of the relevant customer and the applicable local regulatory requirements, and may therefore vary by jurisdiction and project.

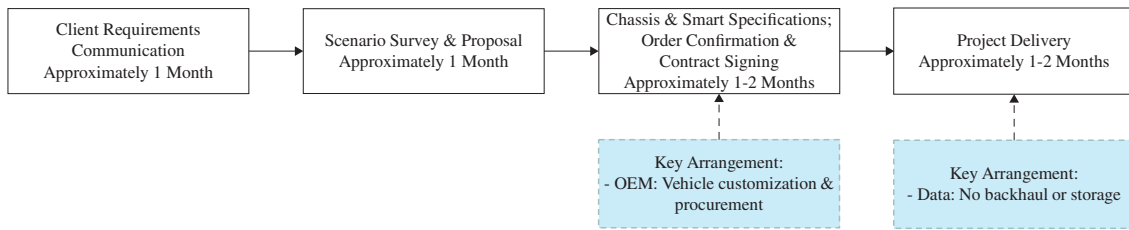
BUSINESS

Trunk Pilot has completed large-scale commercial verification and demonstration operations in key economic zones, including the Beijing-Tianjin-Hebei Region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Southwest China, Northeast China and Northwest China. Operational data demonstrates that, compared to traditional manual driving, our solution delivers quantifiable core value:

- Labor cost optimization: through the Trunk CAFC “1+N” hybrid platooning mode, driver labor requirements are reduced by approximately 50% to 80%;
- Safety enhancement: leveraging the comprehensive active perception which is beyond human visual range and V2V communication and execute proactive measures, such as active braking and safe lane changing, significantly reducing accident rates;
- Energy conservation: under highway conditions of 60km/h, the fleet maintains a stable following distance of less than one single truck length. This aerodynamic drafting effectively reduces wind resistance, achieving a comprehensive energy conservation and carbon reduction of approximately 5%.

Our Trunk Pilot solutions are primarily provided on a project basis. We primarily deliver this solution through an asset-light operation service model. Under this model, customers purchase and hold vehicle hardware assets. These vehicles possess both single-vehicle autonomy and platooning capabilities. Subject to current regulatory constraints, customers may conduct assisted driving with safety officers or carry out platooned autonomous driving freight on specific demonstration routes. We provide supporting AiCloud (T-FIT) platform, enabling customers to independently manage, monitor and dispatch their fleets. The Trunk Care services for Trunk Pilot include platooning support, remote monitoring, energy optimization data services, OTA software upgrades and safety training.

The flow chart below illustrates the key steps and arrangements of our project delivery process:



In addition, to accelerate technological iteration and closed-loop business model verification, we also operate our own fleet to provide autonomous trucking capacity services. This business not only generates stable revenue but also serves to verify technical feasibility, demonstrate commercial value, and accumulate operational experience. We initially relied on our self-owned trucks and we have been strategically transitioning toward an asset-light model, collaborating with more ecosystem partners by equipping the vehicles with our AiBox and AiCloud solutions to better address clients’ demand.

As our Trunk Pilot solution targets open-road scenarios, the operation of AiTrucks is subject to certain regulatory restrictions. We conduct road testing and demonstration operations within approved demonstration zones and along designated routes, and comply with applicable administrative requirements and technical standards. See “Regulatory Overview — Regulations and Policies Relating to the Autonomous Driving and Intelligent Connected Vehicle Industry.”

For the years ended December 31, 2023, 2024 and 2025, we provided solutions to 14, 16 and 32 customers, respectively, in the corresponding period. Payment terms for the sale of our solutions typically require customers to make payments upon signing the contract, acceptance of product

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delivery, or expiration of the warranty period. For the provision of services, we typically invoice customers on a monthly basis. For the years ended December 31, 2023, 2024 and 2025, our revenue from the Trunk Pilot business was RMB67.3 million, RMB42.1 million and RMB215.2 million, respectively.

Use Cases — A National-level Highway Freight Autonomous Driving Pilot Project

As the provider of autonomous driving truck technology, we have been deeply engaged in a national-level expressway freight autonomous driving pilot project in northern China. This project, launched in 2022 and successfully passed national acceptance in mid-2024, is among China’s first national-level intelligent transportation pilot projects focusing on highway freight, according to Frost & Sullivan. The test route encompasses toll stations, ramp merges and diverges, inspection stations and construction zones, as well as challenging conditions such as heavy fog, icy surfaces, and road obstacles.

In this project, we deployed multiple L4 autonomous trucks, which accumulated over 120,000 kilometers of actual road operation. This achievement made us the autonomous transportation solution with the longest operational mileage and the most comprehensive scenario coverage among all participating enterprises in this project. Our autonomous trucks are equipped with LiDAR and visual cameras, endowing them with robust single-vehicle intelligence to realize full-process autonomous driving under favorable environmental conditions.

To address complex scenarios on expressways, including but not limited to the lack of intersection channelization, and interventions at manual inspection checkpoints, we integrated on-vehicle intelligence with roadside Vehicle-to-Everything (V2X) information. By receiving eight categories of collaborative messages from RSUs, such as beyond-line-of-sight (BVR) perception, abnormal event early warning, and severe weather alerts, the system’s capability to handle long-tail scenarios has been significantly enhanced. We verified the engineering feasibility of platooning in real truck route scenarios, with a manned lead truck and the following trucks operating autonomously.

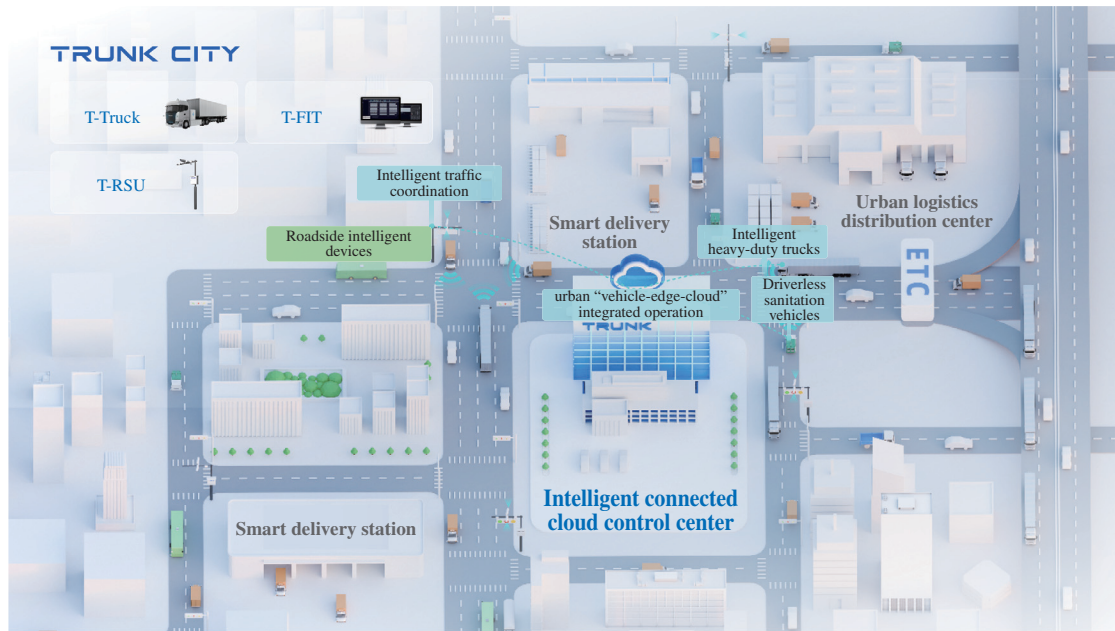
This project not only achieved the breakthrough in the regular operation of autonomous trucks on cross-regional expressways, but also validated the business model integrating smart freight corridors and autonomous driving capabilities, offering a key benchmark for the future driverless transformation of national trunk route logistics.

Trunk City

Overview

Trunk City is our intelligent solution designed for urban transportation, which integrates vehicles, roadside infrastructures and cloud platforms to upgrade urban distribution logistics and public transportation.

BUSINESS



Our Trunk City solution is also built upon the unified “vehicle-edge-cloud” product platform:

- **Vehicles (AiTruck):** our AiTruck provide autonomous driving capacity in complex urban environments, with intelligent vehicles tailored to urban logistics distribution and public transportation.
- **Edge (AiBox):** we deploy AiBox, primarily T-RSUs, at intersections and other key road sections to equip urban roads with real-time perception, edge computing and V2X communication capabilities. These devices support intersection blind-spot monitoring, accurate identification of pedestrians and non-motor vehicles, and real-time early warning of abnormal traffic events, and provide beyond-visual-range safety protection to in-transit vehicles through the vehicle-road collaboration network.
- **Cloud (AiCloud):** Our AiCloud intelligent cloud platform serves as a digital hub for urban traffic management, integrating real-time traffic flow monitoring, intelligent optimization of signal control, automatic early warning of abnormal events, supporting full-domain monitoring, trend analysis and scheduling optimisation of urban traffic operations.

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As Trunk City is in the early stage of commercialization, Trunk Care services have not yet been formally offered to customers. The flow chart below illustrates the key steps and arrangements of our project delivery process:



Our Trunk City solution has been implemented in a smart city project in Jiangsu Province, with an aggregate contract value of approximately RMB14.1 million as of December 31, 2025. We delivered intelligent roadside perception and communication terminals for upgrading of the urban traffic infrastructures, and we participated in the construction of intelligent signal control systems and the centralized cloud platform. The aggregate contract value of this project has increased to approximately RMB20.3 million as a result of an additional contract entered into in April 2026. In addition, we entered into service arrangements in relation to urban smart bus and dynamic bus (DRT) services, with an aggregate order amount of approximately RMB20.0 million, further expanding the application of our Trunk City solution. See “— Recent Development and No Material Adverse Change”. Although our Trunk City business is at the early stage of commercialization, these deployments have laid the technical foundation for our future expansion into urban transportation networks, intelligent logistics distribution and public services.

Our Trunk City solutions are primarily provided on a project basis. For each transaction, customers usually make payments upon signing the contract, acceptance of product delivery, or expiration of the warranty period. Compared to our Trunk Port and Trunk Pilot businesses, our Trunk City projects are typically larger in scale, more complex in scope and involve longer deployment cycles, as they require the integrated deployment of roadside infrastructure and cloud control platforms, as well as coordination with governmental procurement and project acceptance procedures.

The project timeline varies by delivery model: cloud platform deployments generally require approximately two months, whereas infrastructure installations typically require six to nine months. For the years ended December 31, 2023, 2024 and 2025, our revenue from the Trunk City business was RMB26.8 million, RMB29.8 million and nil respectively. We did not record any revenue from Trunk City in 2025 as none of our ongoing Trunk City projects had been completed and delivered in 2025, due to the complexity and long delivery schedule of those projects. We expect to generate revenue from Trunk City as new projects enter the delivery phase in 2026.

ECOSYSTEM OF PARTNERS

We have built a closed-loop ecosystem of partners spanning component and vehicle production, fleet solutions, capacity deployment, sales and after-sales, and industry standards. This collaborative network allows us to influence production standards, optimize costs and drive industry-wide innovation.

Below is a summary of our key types of partners:

- **OEMs:** We have established strategic cooperation with lead truck manufacturers in the PRC. We supply OEMs with our full stack, independently developed autonomous driving kits including both software and hardware, while simultaneously procuring customized vehicles from them to sell to end customers. Furthermore, we leverage the manufacturers’ extensive nationwide dealer networks to enhance our customer reach capability and collaborate to provide maintenance services.

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- **Hardware Suppliers:** We maintain an approved vendor list of high-quality suppliers for key hardware components, such as LiDAR and camera. These partnerships enable deep technical collaboration and customization, ensuring a stable, on-demand supply of critical components optimized for our specific system requirements.
- **Industry customers:** We actively integrate feedback from logistics customers regarding driverless transport operations to jointly formulate industry standards and participate in collaborative research on frontier technologies. This operational feedback loop allows us to influence the upstream supply chain, driving the customized production of components, vehicles, and fleet solutions that truly meet market demands.

These robust partnerships enable us to gain deep insights into industry dynamics and customer needs, and identify new business opportunities. By leveraging our partners’ manufacturing capabilities, R&D experience and customer networks, we further refine our products, accelerate technological adoption and expand our market reach.

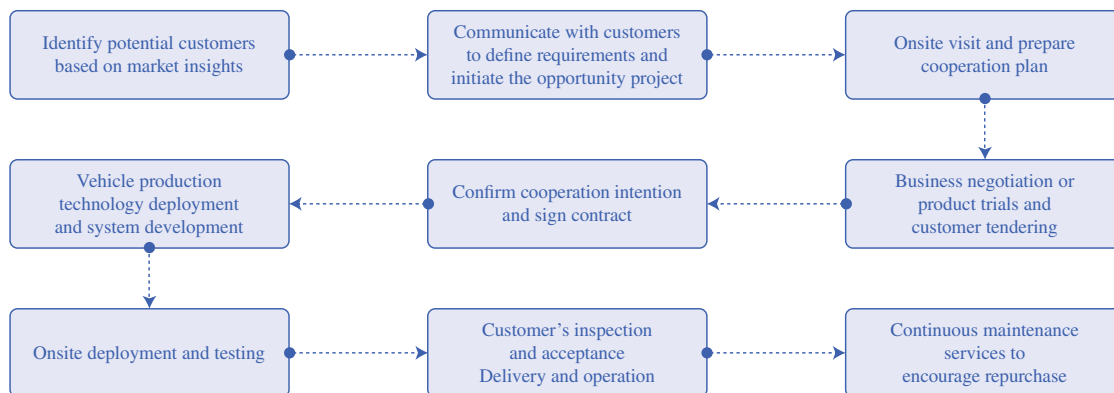
COMMERCIALIZATION

We are at a relatively early stage of commercialization, but we have demonstrated continuing revenue growth and increasing customer adoption. Our revenue increased by 89.5% from RMB134.1 million in 2023 to RMB254.1 million in 2024 and by 35.6% to RMB344.5 million in 2025. This growth has been underpinned by our market expansion and the increase in sales of our autonomous driving solutions and services. During the Track Record Period, our revenue is primarily derived from the sales of AiTruck.

The following table illustrates the key commercialization timeline of our major products, reflecting continuous application of our technologies:

Specialist Technology Products	Start of R&D	Launch	Start of Revenue Generation	Mass Production/ Scaled Operations
Trunk Port	March 2017	March 2018	April 2018	January 2019
Trunk Pilot	March 2017	August 2018	June 2019	August 2022
Trunk City	November 2021	December 2022	December 2023	November 2025

The chart below illustrates our end-to-end lifecycle management, covering opportunity identification, client engagement, collaboration, product delivery, as well as operation and maintenance.



- **Phase I: Opportunity Identification and Solution Design:** We identify target customers and assess their requirements for technical and commercial feasibility. We then provide preliminary solutions outlining technical feasibility, product portfolios, and timelines to advance negotiations.

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- **Phase II: Contracting and Product Delivery:** We may conduct product trials before formal contract signing. During execution, we complete the production and integration of autonomous vehicles, and software configuration.
- **Phase III: Deployment and Full-Cycle Management:** Upon delivery, we integrate our vehicles with customer systems. Following safety testing and final acceptance, we provide ongoing maintenance to optimize performance and drive full-lifecycle value.

Key Operating Data

The table below sets forth key operating data of our solutions:

	As of December 31,		
	2023	2024	2025
Accumulated number of projects⁽¹⁾			
Trunk Port	28	53	80
Trunk Pilot	56	78	110
Trunk City	1	2	2
Order backlog (RMB in millions)			
Trunk Port	21.1	45.8	48.6
Trunk Pilot	3.7	4.6	76.5
Trunk City	—	—	17.9
	Year ended December 31,		
	2023	2024	2025
Number of projects⁽²⁾			
Trunk Port	7	25	27
– Sale of autonomous driving solutions . .	7	23	22
– Provision of autonomous driving services	—	2	5
Trunk Pilot	20	22	32
– Sale of autonomous driving solutions . .	10	14	20
– Provision of autonomous driving services	10	8	12
Trunk City	1	1	—
– Sale of autonomous driving solutions . .	1	1	—
Sales volume			
AiTruck	189	207	632
AiBox	77	74	114
AiCloud	1	8	14
Average selling price (RMB in thousands)			
Trunk Port	5,711	7,276	4,724
– Sale of autonomous driving solutions . .	5,711	7,845	5,517
– Provision of autonomous driving services	—	729	1,235
Trunk Pilot	3,366	1,912	6,726
– Sale of autonomous driving solutions . .	4,017	1,031	9,523
– Provision of autonomous driving services	2,716	3,455	2,065
Trunk City	26,803	29,803	—
– Sale of autonomous driving solutions . .	26,803	29,803	—
Other	—	64	217
Total	4,790	4,794	5,142

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	Year ended December 31,		
	2023	2024	2025
Customer Base			
Total number of customers	19	38	51
Number of new customers	–	32	38
Customer Acquisition & Transactions			
Total customer acquisition cost ⁽³⁾ (RMB in thousands)	19,718	19,610	20,550
Number of transactions ⁽⁴⁾	28	53	67
Average transaction value ⁽⁵⁾ (RMB in thousands)	4,790	4,794	5,142

Notes:

- (1) Accumulated number of projects refers to the total number of projects at the end of the relevant year of which revenue was recognized.
- (2) Number of projects in a given year refers to the projects of which revenue was recognized during that year.
- (3) Total customer acquisition cost equals to selling and distribution expenses of the relevant year.
- (4) Number of transactions refers to total number of contracts entered into during the relevant year.
- (5) Average transaction value equals to the total revenue divided by the total number of transactions in the relevant year.

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Our Major Projects

The table below sets forth details of our major projects with the highest revenue contribution for each business line in each year of the Track Record Period and on-going as of the Latest Practicable Date:

Projects completed in 2025:

No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum ⁽¹⁾ (tax inclusive) <i>(RMB in thousands)</i>
1. .	36,239	11.0%	A company established in 2015 and registered in Ningxia, which was one of our top five customers for the year ended December 31, 2025, primarily providing road freight transport services.	Trunk Pilot	We provided 100 T-Trucks.	Approximately 3 months	40,950
2. . .	32,785	10.0%	A company established in 2019 and registered in Tianjin, which was one of our top five customers for the year ended December 31, 2025, primarily providing automobile sales.	Trunk Port	We provided 92 T-Trucks.	Approximately 3 months	37,047
3. . .	27,943	8.0%	A company established in 2003 and registered in Beijing, which was one of our top five customers for the year ended December 31, 2025, primarily providing information system integration services.	Trunk Pilot	We provided an AiCloud-centric platform featuring autonomous driving cloud control systems for industrial zones and fleet management systems, significantly improving bulk cargo transportation efficiency for thousands of trucks in and around industrial zones.	Approximately 3 months	29,620

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No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum ⁽¹⁾ (tax inclusive) <i>(RMB in thousands)</i>
4. . .	27,600	8.0%	A company established in 2001 and registered in Inner Mongolia, which was one of our top five customers for the year ended December 31, 2025, primarily providing information system integration services.	Trunk Pilot	We provided an AiCloud-centric platform featuring autonomous driving cloud control systems for industrial zones and fleet management systems, significantly improving bulk cargo transportation efficiency for thousands of trucks in and around industrial zones.	Approximately 3 months	31,188
5. . .	26,039	8.0%	A company established in 2022 and registered in Xinjiang, which was one of our top five customers for the year ended December 31, 2025, primarily providing vehicle sales.	Trunk Pilot	We provided 48 T-Trucks.	Approximately 3 months	29,424

Projects completed in 2024:

No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum (tax inclusive) <i>(RMB in thousands)</i>
1. . .	30,195	12.0%	A company established in 2003 and registered in Zhejiang Province, which was one of our top five customers for the year ended December 31, 2024, primarily engaged in automobile sales.	Trunk Port	We provided 40 T-Trucks.	Approximately 3 months	34,120

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No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum (tax inclusive) <i>(RMB in thousands)</i>
2. . .	29,811	12.0%	A company established in 2016 and registered in Guangdong Province, which was one of our top five customers for the year ended December 31, 2024, primarily engaged in technology services.	Trunk City	We provided a comprehensive Vehicle-Road-Cloud solution including AiBox and Aicloud to improve local traffic operation efficiency and safety.	Approximately 6 months	31,600
3. . .	27,526	11.0%	A company established in 2019 and registered in Jiangsu Province, which was one of our top five customers for the year ended December 31, 2024, primarily engaged in R&D and sales of automobiles and parts, robots and components, and automotive electronic equipment.	Trunk Port	We provided 18 T-Movers capable of fully driverless end-to-end operations in the port environment.	Approximately 6 months	31,104
4. . .	23,850	9.0%	A company established in 2003 and registered in Zhejiang Province, which was one of our top five customers for the year ended December 31, 2024, primarily engaged in automobile sales.	Trunk Port	We provided 49 T-trucks.	Approximately 3 months	26,950
5. . .	22,646	9.0%	A company established in 2003 and registered in Zhejiang Province, which was one of our top five customers for the year ended December 31, 2024, primarily engaged in automobile sales.	Trunk Pilot	We provided 30 T-trucks.	Approximately 3 months	25,590

BUSINESS

Projects completed in 2023:

No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum (tax inclusive) <i>(RMB in thousands)</i>
1. . .	26,799	20.0%	A company established in 2018 and registered in Jiangsu, which was one of our top five customers for the year ended December 31, 2023, primarily providing information system integration services.	Trunk City	We provided a comprehensive Vehicle-Road-Cloud solution including AiBox and Aicloud to improve local traffic operation efficiency and safety.	Approximately 6 months	30,283
2. . .	19,696	15.0%	A company established in 2002 and registered in Beijing, which was Customer G among our top five customers for the year ended December 31, 2023, primarily providing mobile communication solutions.	Trunk Port	We provided 10 T-Movers capable of fully driverless end-to-end operations in the narrow industrial zone environment.	Approximately 6 months	22,257
3. . .	15,521	12.0%	A company established in 2009 and registered in Heilongjiang, which was one of our top five customers for the year ended December 31, 2023, primarily providing road freight transport services.	Trunk Pilot	We provided 24 T-Trucks.	Approximately 3 months	17,539
4. . .	11,991	9.0%	A company renamed and established in 2016 and registered in Zhejiang, which was one of our top five customers for the year ended December 31, 2023, primarily providing express delivery services and road freight transport services.	Trunk Pilot	We provided intelligent driving transportation services through our own autonomous driving fleet.	Monthly	20,908

BUSINESS

No.	Revenue <i>(RMB in thousands)</i>	% of total revenue in the year of revenue recognition	Customer Background	Solutions Provided	Project Description	Project Duration	Contract Sum (tax inclusive) <i>(RMB in thousands)</i>
5. . .	10,828	8.0%	A company established in 2010 and registered in Jingzhou, which was one of our top five customers for the year ended December 31, 2023, primarily engaged in automobile sales.	Trunk Pilot	We provided 20 T-truck upgradable to autonomous driving.	Approximately 3 months	12,215

Note:

- (1) The difference between the contract sum and the revenue recognized is attributable to the inclusion of taxes within the contract value.

In 2023, certain of our logistics projects incurred losses in an aggregate amount of approximately RMB407.0 thousands. These projects were primarily undertaken as pilot demonstrations and for technical validation purposes during our early development stage, rather than for immediate profitability. Consequently, the initial costs associated with establishing these operations exceeded the revenue generated.

Seasonality

Our operating results are impacted by seasonal fluctuations and project delivery and acceptance cycles. Our major customers (such as port operators, logistics parks and large logistics enterprises) generally follow annual budget approval processes and tend to conduct final acceptance and settlement of projects in the second half of the year, particularly in the fourth quarter. As a result, our revenue recognition typically shows a pattern of being higher in the second half of the year and lower in the first half, and we normally have a higher level of inventory in the first half of the year before our products and solutions sold are accepted.

Furthermore, our core business segments are characterized by their project-based nature. Due to this project-centric approach, the timing of revenue recognition can vary significantly across different reporting periods, as revenue is often recognized upon meeting specific project milestones or upon final acceptance by the client. This may result in fluctuations in our reported revenue from one period to another. See “Financial Information — Key Factors Affecting Our Performance — Seasonal Fluctuations and Project Delivery Cycles” and “Risk Factors — Risks Relating to Our Financial Condition — Our results of operations have fluctuated and may continue to fluctuate significantly from period to period due to the project-based nature of our business and seasonal factors.”

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RESEARCH AND DEVELOPMENT

R&D Team

Our R&D capabilities and our abilities to design, develop and upgrade both existing and new solutions, services and products are key to our success and maintaining our market positions. As at December 31, 2025, we have 85 R&D personnel, accounting for 60.7% of the total number of employees. Our R&D team consists of committed talents with extensive industry expertise and solid technological knowledge, focusing on developing and commercializing our products and solutions to preserve our technological advantages and market competitiveness. Each of our core R&D team members possesses more than 20 years of industry experience, with domestic or overseas working experience in reputable technology companies.

The Company has identified Mr. Zhang Tianlei, Mr. Wang Xiaodong, Mr. Wang Chao, and Mr. An Lifeng as the key personnel responsible for the technical operations and the research and development of our Specialist Technology Products. This determination is based on a comprehensive assessment of the following factors:

- (i) **Strategic Leadership and Decision-Making:** These members hold the highest technical executive positions (chief executive officer, chief technical officer, president of Qianzhan research academy, and chief product officer) and possess the ultimate decision-making authority regarding the Company’s technological roadmap, R&D budget allocation, and product architecture.
- (ii) **Critical Role in Product Lifecycle:** Each member possesses over 15 to 20 years of specialized experience in the autonomous driving, artificial intelligence, and computer science sectors. These members are directly responsible for the full lifecycle of our core products, from prospective policy and technology research, fundamental R&D management to overall solution design and strategic commercialization.
- (iii) **Continuity and Stability:** As founders or long-serving executives, these members have been instrumental in the historical development of the Company’s proprietary algorithms and hardware integration, ensuring the continuity of our technical knowledge base and the execution of our future R&D strategies.

The following chart illustrates the profile of our core R&D team members:

Core R&D team member	Profile
Mr. ZHANG Tianlei (張天雷)	Mr. Zhang is our founder, chairman, executive Director and chief executive officer. He graduated from Tsinghua University in PRC with a bachelor’s degree and Ph.D. in computer science and technology. He is primarily responsible for the overall strategic planning, business direction and management of the Company. He has over 20 years of experience in autonomous driving, artificial intelligence, and technology leadership.
Mr. WANG Xiaodong (王曉東)	Mr. Wang is our executive Director, chief technical officer and responsible officer of our research and development centre. He graduated from Tsinghua University in PRC with a master’s degree in computer science and technology. He is primarily responsible for research and management of the Company. He has over 20 years of experience in autonomous driving industry.

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Core R&D team member	Profile
Mr. WANG Chao (王超)	Mr. Wang is our executive Director and the president of our Qianzhan research academy. He graduated from Tsinghua University in PRC with a bachelor of engineering degree in automation, and from Peking University in PRC with a Ph.D. in computer science and technology with a concentration in intelligence science and technology. He is primarily responsible for prospective research of policies and technologies. He has over 15 years of experience in autonomous driving industry.
Mr. AN Lifeng (安利峰)	Mr. An is our executive Director, chief product officer and responsible officer of our product center. He graduated from Zhejiang University (浙江大學) in PRC with a master’s degree in computer science. He is primarily responsible for the overall solution and overall product design of our Company. He has over 20 years of experience in autonomous driving industry.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key management and technical staff. To retain our core R&D talent, we have implemented a comprehensive incentive system that includes competitive compensation benchmarked against industry standards, equity incentives, and clear career development paths, alongside a supportive work environment. To manage the potential impact of departures, we enforce strict confidentiality and non-competition agreements and utilize a structured risk management process. This includes proactive talent reviews, a mandatory handover period to ensure the complete transfer of technical knowledge and IP protection, and immediate succession planning to maintain operational stability. The salient terms of agreements with key management and technical staff are set out below:

- ***Ownership of intellectual properties.*** We hold the intellectual property rights, including patent rights, proprietary technology rights, copyrights and related interests to any technical achievements developed or completed by the employees during the term of the employment contract and within one year after its termination, where such achievements relate to our business, products, programs or services.
- ***No Conflict.*** Employees shall not engage in any other job, whether full-time or part-time, during their term of employment.
- ***Non-Competition.*** We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employees are prohibited from engaging in any competitive behavior specified in the agreements.
- ***Confidentiality.*** Employees must maintain the confidentiality of our technical information, trade secrets and other confidential information during and after their employment. This obligation survives the termination of the contract.

For the years ended December 31, 2023, 2024 and 2025, our research and development expenses amounted to RMB119.4 million, RMB115.2 million, RMB120.3 million, respectively.

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Key Research Projects

We are currently undertaking multiple R&D projects to iterate and upgrade our products and solutions, with the following key projects:

Iteration and Upgrade of T-Mover: We are enhancing T-Mover’s autonomous driving and multi-vehicle coordination capabilities to achieve driverless operation under extreme working conditions and complex mixed-traffic scenarios. This upgrade aims to accelerate its deployment from container terminals to broader logistics hubs, such as industrial plants and mining zones. Furthermore, we plan to develop modular, specialized vehicles tailored to specific vertical industries based on T-Mover’s chassis technology.

Iteration and Upgrade of Trunk Pilot: We are upgrading the Trunk Pilot solution to optimize long-range perception algorithms for complex highway scenarios and refine our “1+N” platooning technology for enhanced multi-vehicle collaboration. We plan to launch small-scale commercial pilots in key regions such as Beijing-Tianjin-Hebei starting in 2026. Within two years thereafter, we expect to expand this autonomous driving road freight network nationwide.

Upgrade and Optimization of Trunk FIT Intelligent Transportation System: We are upgrading Trunk FIT into a cloud-based digital platform for pan-logistics scenarios by integrating agent technology for autonomous decision-making and collaborative optimization. Key planned features include multi-agent traffic scheduling, real-time monitoring, and full lifecycle equipment management. These functionalities are scheduled to be launched in phases around 2027 to cover various logistics vehicles and equipment.

Development of Trunk TMS Smart Logistics Operations Management System: We are developing the Trunk TMS to achieve end-to-end digital management of logistics operations, streamlining documents, information, and funds from order acquisition to settlement. Building on its existing core modules, future iterations will deepen commercial functions such as independent settlement capabilities and vehicle administrative management. Additionally, we will integrate it with the Trunk FIT system to refine single-vehicle cost accounting and strengthen compliance auditing and decision analysis.

Iteration and Upgrade of T-ICC Intelligent Driving Domain Controller: We are upgrading the T-ICC intelligent driving domain controller to expand its adaptability across complex logistics scenarios and various commercial vehicle models. Following the release of our third-generation T-ICC 3.2 in early 2025, which supports L2 to L4 autonomous driving, we are developing an upgraded version based on domestic chips. This new generation is planned for mass production in 2026 to ensure supply chain autonomy.

R&D and Construction of the Intelligent Connected Big Data Cloud Control Platform: We are developing an Intelligent Connected Big Data Cloud Control Platform to serve as a digital hub connecting autonomous vehicles, smart highways, and urban traffic systems. By integrating multi-source data, the platform will deliver tailored cloud control applications and data analysis services for connected vehicles, transportation departments, and industry enterprises. We plan to phase in the release of these platform capabilities starting in 2026.

R&D of T-VAN Intelligent Van: We are advancing the R&D of the T-VAN intelligent van to connect logistics hubs with urban distribution and short-haul drayage markets. With the prototype having completed preliminary testing, we plan to finalize and certify the mass-production model by 2027. Following certification, we will initiate scaled deliveries for high-value scenarios such as urban express delivery and refrigerated freight.

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R&D Process

Our R&D process is a continuous iterative system which is market demand-driven and supported by data closed-loop. The process primarily consists of the following five stages:

Stage One — Forward-Looking Technology and Market Insights: We track trends in autonomous driving industry and customer needs to identify strategically valuable directions and application scenarios.

Stage Two — Feasibility and Value Assessment: For identified opportunities, we conduct systematic evaluations including commercial value and technical feasibility. If approved, the opportunity is converted into an R&D objective; otherwise, it is incorporated into a technology reserve pool.

Stage Three — Productization Planning: We translate R&D objectives into clear product milestones, define technical solutions and delivery timelines, and allocate required resources.

Stage Four — R&D Design and System Validation: Our R&D team conducts software, hardware, and system integration development, and we continuously perform rigorous testing and validation to ensure the product is stable, safe, and deliverable.

Stage Five — Product Delivery and Continuous Optimization: After project validation, we promote its delivery and implementation, including OTA updates or deployment in collaboration with automotive OEMs. Post-delivery, we continuously optimize the product based on operational data and customer feedback.

Outsourced R&D Arrangements

Since 2024, we have strategically focused our internal resources on the research and development of core full-stack autonomous driving technologies. To protect our technological barriers, these core activities are conducted exclusively in-house and encompass our foundational technologies: perception, prediction and planning algorithms; vehicle-end control systems and underlying software; multi-sensor fusion; end-to-end autonomous driving models; and simulation methodologies. Conversely, we strictly limit R&D outsourcing to non-core, ancillary technical requirements that support the commercialization and deployment of our Specialist Technology Products. These outsourced activities serve as supporting infrastructure for specific commercial scenarios, such as data closed-loop platform development, routine testing and data labeling services and ancillary logistics management systems. These activities are generally highly standardized and execution-oriented. As they do not involve the design of our core autonomous driving algorithms or proprietary models, they are non-core to our fundamental R&D efforts. For these modules, we further conduct customized integration and scenario-specific adaptation. This strict division ensures that our core intellectual property remains fully proprietary, while allowing us to optimize resource allocation and cost-efficiency through the external procurement of non-core services.

In 2024 and 2025, we engaged four and two independent technology companies for outsourced R&D, respectively. We did not have any outsourcing R&D arrangements in 2023. In 2024, outsourced R&D expenses increased due to the concurrent commercial deployment of multiple projects, which required scenario-specific adaptations for diverse operating environments, OEM vehicle platforms and customer business systems. Outsourcing these scenario-specific adaptation tasks allowed us to quickly scale our delivery capabilities to meet the sudden surge in project demands, without incurring long-term fixed personnel costs. As these initial adaptation modules were substantially completed and became reusable across similar projects, our outsourced R&D expenses as a percentage of total R&D expenses dropped from 44.0% in 2024 to 26.3% in 2025.

The major salient terms of our standard agreements for our outsourced R&D arrangements are set out below:

- **Term.** The duration of the agreement is typically tied to the full completion of the project and final acceptance of all deliverables set forth in the agreement.

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- ***Respective Roles and Responsibilities.*** We are typically responsible for providing project requirements and necessary hardware, software and data; while the third-party developer is typically responsible for project planning, design, development, testing and delivery.
- ***Research Plan.*** Both parties typically agree on a detailed work plan and schedule, as set out in an annex to the agreement such as a Work Description. Adjustments to scope or schedule are typically made through a formal change process, with written confirmation required from both parties.
- ***Intellectual Property.*** Each party typically retains sole ownership of its own background intellectual property, but may authorize the other party to use such intellectual property solely for the purposes of the agreed project. For any custom-developed deliverables arising from the agreed project, the intellectual property rights typically belong to us.
- ***Confidentiality.*** Both parties are typically required to maintain strict confidentiality of all information exchanged under the agreement. This obligation applies during the term of the agreement and continues indefinitely, unless the information enters the public domain through legitimate means as set forth in the agreement.
- ***Payment.*** The payment is typically a fixed amount in the agreement and made in installments to the third-party developer. The third-party developer typically issues invoices within a specific number of working days after each payment condition is met, and we complete the payment within a specific number of working days upon receiving the invoice.
- ***Termination.*** The agreement may typically be terminated by mutual agreement, or unilaterally in cases of material breach, insolvency, force majeure or by other means as set forth in the agreement. Early termination by us is typically permitted if the third-party development fails to cure a breach within the specified notice period.

During the Track Record Period, all of our R&D expenses were solely related to the research and development of our Specialist Technology Products. As our internal R&D activities focus on developing a unified, full-stack autonomous driving technology architecture, these core technologies are universally applicable across all of our Specialist Technology Products (namely Trunk Port, Trunk Pilot, and Trunk City). Consequently, our outsourced R&D expenses are appropriately included in our total R&D expenditure for the purposes of assessing our R&D investment under Chapter 18C, as they facilitate the application of our Specialist Technology Products in specific commercial scenarios.

INTELLECTUAL PROPERTY RIGHTS

We regard our patents, trademarks, know-how and other intellectual property rights as critical to our competitiveness and commercial success. As of December 31, 2025, we were granted 249 patents, including 247 patents in the PRC and two patents in the US, and filed 394 patent applications in the PRC. As of the same date, we had 80 software copyrights and 138 trademarks registered in the PRC. See “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights” for more information. We acquire patents primarily through self-development.

As of December 31, 2025, 371 of the patents and patent applications were internally developed and self-owned by us, and 25 were co-developed and co-owned under research programs with our collaborators. These co-development arrangements are entered into based on specific project cooperation needs, with collaborators primarily consisted of specialized technology suppliers, research institutions and business partners. The subject matter of the co-developed and co-owned patents generally falls into three categories: (i) hardware mounting, protective and

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structural components, such as mechanical brackets, sensor mounting frames, anti-theft protective structures and other auxiliary vehicle-mounted components; (ii) general-purpose or implementation-oriented technical methods, such as point cloud processing, image processing, data fusion, lane-line map updating, vehicle communication, remote operation and related technical solutions; and (iii) industrial designs, such as the exterior design of vehicle-mounted controllers and portable devices. These co-developed and co-owned patents are not critical to our core autonomous driving technology stack or our principal business operations. In particular, these patents primarily relate to auxiliary structural designs, industrial designs, and general or application-specific technical solutions developed for engineering integration, system compatibility, deployment adaptation, operational support or particular use scenarios. While some of these patents involve basic data pre-processing or general environmental sensing, they do not cover our core proprietary technologies relating to autonomous driving perception, decision-making and control for autonomous driving solutions, which remain independently developed and solely owned by us.

As of the Latest Practicable Date, with respect to our specialist technology products, we self-owned all of our patents as well as patent applications and had no co-own or co-share arrangements of our patents and patent applications with third parties. The table below sets forth the key intellectual property rights corresponding to the core technologies applied in our specialist technology products as of December 31, 2025:

No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
1. . .	ZL 201910136139.1	Our Company	Self-developed; Proprietary	Trunk Port	Important for autonomous container truck and yard crane operations in loading and unloading efficiency	The PRC	February 25, 2019	February 25, 2039
2. . .	ZL 201910171645.4	Our Company	Self-developed; Proprietary	Trunk Port	Important for port-wide efficiency in supporting scheduling coordination of personnel, vehicles and cranes	The PRC	March 7, 2019	March 7, 2039
3. . .	ZL 201910684565.9	Guangxi Intelligent Driving Research Center Co., Ltd. (廣西智能駕駛研究中心有限公司)	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for stability of platooning control in ensuring precise trajectory reproduction	The PRC	July 26, 2019	July 26, 2039
4. . .	ZL 201910707300.6	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for accuracy and stability of adaptive trajectory tracking technology in complex road conditions	The PRC	August 1, 2019	August 1, 2039
5. . .	ZL 201910707315.2	Guangxi Intelligent Driving Research Center Co., Ltd. (廣西智能駕駛研究中心有限公司)	Self-developed; Proprietary	Trunk Port	Important for high-precision alignment in enhancing port operational safety and efficiency during cargo handling	The PRC	August 1, 2019	August 1, 2039

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No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
6. . .	ZL 202010616973.3	Guangxi Intelligent Driving Research Center Co., Ltd. (廣西智能駕駛研究中心有限公司)	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for prioritization of task execution and uninterrupted traffic flow in situation without traffic signals	The PRC	July 1, 2020	July 1, 2040
7. . .	ZL 202010976375.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for model inference speed acceleration	The PRC	September 17, 2020	September 17, 2040
8. . .	ZL 202011494412.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for maintaining truck platoons longitudinal stability	The PRC	December 17, 2020	December 17, 2040
9. . .	ZL 202111184254.X	Our Company	Self-developed; Proprietary	Trunk Port	Important automation technology for increasing port operation efficiency	The PRC	October 12, 2021	October 12, 2041
10. . .	ZL 202111251788.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for effective detection and management of road anomalies in operational safety of autonomous driving	The PRC	October 27, 2021	October 27, 2041
11. . .	ZL 202210467229.0	Our Company	Self-developed; Proprietary	Trunk Pilot	Important for continuity of vehicle-to-vehicle coordination and data exchange	The PRC	April 29, 2022	April 29, 2042
12. . .	ZL 202210468999.7	Shanghai TrunkTech Co., Ltd (上海主線科技有限公司)	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for optimization of road resource allocation in vehicle grouping scenarios	The PRC	April 29, 2022	April 29, 2042
13. . .	ZL 202210518365.8	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving loading efficiency and operational safety in docking scenarios	The PRC	May 12, 2022	May 12, 2042
14. . .	ZL 202210513130.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for standardization and safety of trailer positioning in split-type vehicles parking scenarios	The PRC	May 12, 2022	May 12, 2042
15. . .	ZL 202210528667.3	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for strengthening perception system robustness in redundant fusion of multi-source lane line data	The PRC	May 16, 2022	May 16, 2042

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No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
16..	ZL 202210663527.7	Tianjin TrunkTech Co., Ltd (天津主線科技有限公司)	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important patent for vehicle control precision	The PRC	June 13, 2022	June 13, 2042
17..	ZL 202210847480.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving emission control accuracy and energy efficiency	The PRC	July 19, 2022	July 19, 2042
18..	ZL 202211606476.0	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important technology for stability in collaborative driving	The PRC	December 12, 2022	December 12, 2042
19..	ZL 202310298202.8	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving perception of generalization capability in extreme weather conditions	The PRC	March 24, 2023	March 24, 2043
20..	ZL 202410537004.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving health management level of vehicle systems	The PRC	April 30, 2024	April 30, 2044
21..	ZL 202510614756.3	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving high-quality communication for wheeled robotic systems	The PRC	May 14, 2025	May 14, 2045

As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any instances of infringement of third parties’ intellectual property rights. Our IP rights were not subject to any infringement by third parties during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

The market for autonomous driving solutions is rapidly evolving and highly competitive, with numerous potential applications under development. As a result, although we believe that our autonomous driving technology is market-leading, we face competition from various competitors developing autonomous driving solutions and services, some of which may be similar to ours. Our primary competitors include other autonomous driving solution providers. For more information on the competitive landscape of our industry, see “Industry Overview” and “Risk Factors — Risks Relating to the Commercialization of Our Solutions and Services and Our Industry — We operate in a highly competitive industry. Failure to compete successfully will result in a decline of our market share or force us to reduce our pricing, which in turn adversely affect our results of operations, financial condition and prospects.”

We believe that we are in a competitive position in our market to compete favorably with others based on our attractive solutions and services supported by our autonomous driving technologies, our robust R&D capabilities and technological strength and ecosystem of industry and technology partners.

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CUSTOMERS

Our major customers include state-owned enterprises and private enterprises operating in industries including port operation and logistics. Under our Trunk Port business, we primarily provide autonomous driving solutions and services to port operators. Under our Trunk Pilot and Trunk City businesses, we primarily provide autonomous driving solutions and services to logistics enterprises, local government platform companies and transportation enterprises.

During the Track Record Period, we primarily engaged with our customers through public bidding and tendering, proactive outreach by our sales personnel, participation in industry conferences and forums, and referrals from existing customers and suppliers. For the years ended December 31, 2023, 2024 and 2025, our total bidding and tendering amounts were approximately RMB23.2 million, RMB45.9 million, and RMB101.5 million, respectively. During the same periods, our bidding success rates demonstrated a steady upward trend, recording 71%, 75%, and 77%, respectively. Our solutions and services are tightly integrated with vehicle hardware, and once deployed, become a critical part of daily operations. Given that the autonomous driving solutions offered by us require ongoing maintenance, including algorithm iterations, software updates, performance optimization, and technical support to ensure safe and stable operation over time, our customers typically enter into multi-phase engagements with us. We maintain a stable and long-term relationship with our major customers.

During the Track Record Period, the standard sales agreements for our Trunk Port, Trunk Pilot, and Trunk City business lines shared a consistent legal framework regarding our general obligations, warranty, credit terms, and confidentiality. Under these agreements:

- **Roles and Responsibilities:** We are typically responsible for (i) providing the autonomous driving vehicles, kits, software, or “vehicle-edge-cloud” systems; (ii) conducting installation and testing; and (iii) providing technical support and after-sales services.
- **Credit Terms:** We typically grant a credit term to our customers of **seven to 60 days**.
- **Warranty:** We typically provide a warranty period ranging from **six months to two years**. During this period, we are obligated to repair or replace products free of charge for quality issues.
- **Confidentiality:** Both parties are required to keep non-public information (including financial, management, and technical data) confidential and use it solely for the purposes of the agreement.
- **Product Liability & Cancellation:** We are responsible for non-conforming products, with remedies including repair, replacement, or indemnification. Customers generally cannot return products without cause, though returns or exchanges may be permitted within specific windows varying by project. Purchase orders are generally binding upon execution, and cancellations typically require mutual agreement and payment of penalties.

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While the general terms above apply across our business lines, specific commercial terms regarding payment schedules, delivery acceptance, and termination rights vary to reflect the nature of each business model, as summarized below:

Term	Trunk Port	Trunk Pilot	Trunk City
Payment Terms	• Advance & Progress: Required as stipulated. • Retention Money: Customers typically retain 5% of the contract value, payable at the end of the warranty period.	• Advance: Required as stipulated. • Full Payment: Typically required within one week after vehicle mortgage completion.	• Advance and Progress: Required as stipulated. • Final Payment: Paid after project completion and final acceptance.
Delivery, Acceptance & Risk Transfer	• Inspection: Upon delivery or installation. • Risk Transfer: Transfers to the customer after products are delivered to the designated location.	• Inspection: Upon delivery or installation. Objections must be raised at delivery. • Risk Transfer: Transfers to the customer after delivery. Losses after handover are borne by the customer.	• Inspection: Upon project completion. • Final Acceptance: Typically occurs after a one-month trial operation. • Risk Transfer: Transfers to the customer after the system is delivered and accepted.
Termination Rights . . .	• Customer Right: May terminate if we breach, or fail to remedy our breach of, the agreement.	• Vendor Right: We may terminate the agreement with forfeiture of prepayment if the customer fails to settle payment and take delivery within the prescribed period.	• Customer Right: May terminate if we (i) breach and fail to remedy, (ii) make unauthorized assignments or subcontracts, or (iii) fail to perform agreed obligations.

Major Customers

Our major customers include state-owned enterprises and private enterprises operating in the industries including port operation and logistics. For the years ended December 31, 2023, 2024 and 2025, the revenue generated from our largest customer in each year accounted for 20.0%, 30.2% and 14.4%, respectively, of our revenue during those periods. For the years ended December 31, 2023, 2024 and 2025, the revenue generated from our five largest customers in each year accounted for 64.6%, 67.9%, and 48.6%, respectively, of our revenue during those periods. Substantially all of our customers we served during the Track Record Period are located in the PRC.

The table below sets forth our revenue breakdown by state-owned and non-state-owned enterprises in absolute amounts and as percentages of our total revenue for the years indicated:

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
State-owned enterprise	40,606	30.3	59,002	23.2	94,148	27.3
Non-state-owned enterprise	93,506	69.7	195,091	76.8	250,365	72.7
Total	134,112	100.0	254,093	100.0	344,513	100.0

The table below sets forth our revenue breakdown by customer type in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Logistics	65,102	48.5	27,812	10.9	137,173	39.8
Information technology ⁽¹⁾	52,325	39.0	103,461	40.7	104,783	30.4
Hub operation ⁽²⁾	12,661	9.4	109,464	43.1	79,052	23.0
Others ⁽³⁾	4,024	3.1	13,356	5.3	23,505	6.8
Total	134,112	100.0	254,093	100.0	344,513	100.0

Notes:

- (1) Includes a diverse range of technology companies focusing on areas such as software and hardware, and general IT services.
- (2) Includes hub operators and their affiliated entities and other entities associated with hub operations.
- (3) Includes revenue derived from customers in trading, research institutions, border crossings operation, and other sectors.

The changes in our revenue mix by customer industry during the Track Record Period primarily reflected changes in the relative contribution of our different business segments and the delivery schedule of major customer projects, rather than any fundamental shift in our target customer base. In particular, the decrease and subsequent increase in revenue from our logistics customers in 2024 and 2025, respectively, was mainly attributable to the changing contribution of our Trunk Pilot business, which recorded revenue of RMB42.1 million in 2024 and RMB215.2 million in 2025. The increase and subsequent decrease in revenue from our hub operation customers in 2024 and 2025, respectively, primarily reflected the delivery and revenue recognition timing of major projects in our Trunk Port business, which recorded revenue of RMB181.9 million in 2024 and RMB127.5 million in 2025.

The following tables set out the details of our five largest customers in each period based on their revenue contribution during the Track Record Period:

For the year ended December 31, 2023

Customer	Products/ solutions sold	Revenue	% of total revenue	Year of commencing business relationship	Typical credit terms	Payment method
		<i>(RMB'000)</i>				
Customer A ⁽¹⁾ . .	Trunk City	26,798.9	20.0%	2023	7 days after delivery of products	Bank Transfer
Customer B ⁽²⁾ . .	Trunk Port	19,696.3	14.7%	2023	15 days after delivery of products	Bank Transfer

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Customer	Products/ solutions sold	Revenue (RMB'000)	% of total revenue	Year of commencing business relationship	Typical credit terms	Payment method
Customer C ⁽³⁾	Trunk Pilot	15,521.4	11.6%	2023	No credit period	Bank Transfer and Bank Acceptance Bill
Customer D ⁽⁴⁾	Trunk Port	12,661.0	9.4%	2019	60 days after issuance of invoice	Bank Transfer and Bank Acceptance Bill
Customer E ⁽⁵⁾	Trunk Pilot	11,991.1	8.9%	2022	25 days after issuance of invoice	Bank Transfer
		<u>86,668.7</u>	<u>64.6%</u>			

Notes:

- (1) A private company mainly engaged in software and information technology services, registered in Jiangsu Province with a registered capital of RMB10.00 million.
- (2) A private company mainly engaged in computer, communication, and other electronic equipment manufacturing, registered in Beijing with a registered capital of RMB15,011.31 million.
- (3) A private company mainly engaged in road transportation, registered in Heilongjiang Province with a registered capital of RMB50.00 million.
- (4) A company mainly engaged in transportation, registered in Zhejiang Province, listed on the Shanghai Stock Exchange with total assets of approximately RMB123.63 million (unaudited) as of December 31, 2025.
- (5) A private company mainly engaged in postal services, registered in Zhejiang Province with a registered capital of RMB500.00 million.

For the year ended December 31, 2024

Customer	Products/ solutions sold	Revenue (RMB'000)	% of total revenue	Year of commencing business relationship	Typical credit terms	Payment method
Customer F ⁽¹⁾	Trunk Port	76,690.3	30.2%	2022	No credit period	Bank Transfer
Customer G ⁽²⁾	Trunk City	29,811.3	11.7%	2024	7 days after issuance of invoice	Bank Transfer
Customer H ⁽³⁾	Trunk Port	27,525.7	10.8%	2021	Upon issuance of invoice	Bank Transfer and Bank Acceptance Bill
Customer D	Trunk Port	20,178.7	7.9%	2019	60 days after issuance of invoice	Bank Transfer and Bank Acceptance Bill
Customer I ⁽⁴⁾	Trunk Pilot	18,507.6	7.3%	2024	15 days after issuance of invoice	Bank Transfer
		<u>172,713.6</u>	<u>67.9%</u>			

Notes:

- (1) A private company mainly engaged in wholesale business, registered in Zhejiang Province with a registered capital of RMB5.00 million.
- (2) A private company mainly engaged in internet and related services, registered in Guangdong Province with a registered capital of RMB0.05 million.

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- (3) A private company mainly engaged in software and information technology services, registered in Jiangsu Province with a registered capital of RMB253.01 million.
- (4) A private company mainly engaged in technology promotion and application services, registered in Tianjin with a registered capital of RMB500.00 million.

For the year ended December 31, 2025

Customer	Products/ solutions sold	Revenue	% of total revenue	Year of commencing business relationship	Typical credit terms	Payment method
		(RMB'000)				
Customer J ⁽¹⁾	Trunk Port	49,669.8	14.4%	2025	No credit period	Bank Transfer
Customer K ⁽²⁾	Trunk Pilot	36,238.9	10.5%	2025	15 days	Bank Transfer
Customer L ⁽³⁾	Trunk Pilot	27,943.4	8.1%	2025	Upon issuance of invoice	Bank Transfer
Customer M ⁽⁴⁾	Trunk Pilot	27,600.0	8.0%	2025	15 days after product delivery	Bank Transfer
Customer N ⁽⁵⁾	Trunk Pilot	26,038.9	7.6%	2025	No credit period	Bank Transfer
		167,491.0	48.6%			

Notes:

- (1) A private company mainly engaged in retail (core business: automobile sales and services), registered in Zhejiang Province with a registered capital of RMB5.58 million.
- (2) A private company mainly engaged in road transportation, registered in Ningxia Hui Autonomous Region with a registered capital of RMB17.00 million.
- (3) A private company mainly engaged in intelligent technical solutions for the energy industry, registered in Beijing with a registered capital of RMB230.73 million.
- (4) A private company mainly engaged in software and information technology services, registered in Inner Mongolia Autonomous Region with a registered capital of RMB200.00 million.
- (5) A private company mainly engaged in repair of motor vehicles, electronic products and daily consumer goods, registered in Xinjiang Uygur Autonomous Region with a registered capital of RMB0.50 million.

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

During the Track Record Period, a significant portion of our revenue was derived from a limited number of customers primarily due to the high-value orders for autonomous driving projects, and the strategic cooperation with major customers who were early adopters for a shift towards intelligent autonomous operations in ports, road freight, and urban areas. Our first-mover and technological advantages, validated through extended validation periods, strengthened these relationships, resulting in increased sales volume and heightened customer concentration. As further advised by Frost & Sullivan, this level of customer concentration is common among technology providers in the early stages of commercialization within the autonomous driving solution industry. Our major customers vary each year as once a project concludes, customers may not require further services until new needs arise, and our customers need time for decision, implementation and project acceptance, leading to a turnover of customers each year. Furthermore, our customer concentration demonstrated a decreasing trend during the Track Record Period, reflecting the continued expansion and diversification of our customer base as our autonomous driving solutions gain wider market acceptance. Having considered the factors set out in Chapter 1.2B of the Guide, our Directors are of the view that the Group does not have material reliance on any single customer given (i) the project-based business model with natural customer turnover, (ii) the customer

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concentration being an industry norm as confirmed by Frost & Sullivan, (iii) the decreasing concentration trend, and (iv) the diversified business lines across Trunk Port, Trunk Pilot and Trunk City serving different customer segments.

SUPPLIERS

Types of Our Suppliers

We engage third-party suppliers for key components and materials for our products and solutions including semiconductor chips, radar, LiDAR, cameras and other components and materials. We utilize internal assembly primarily for design validation and small-batch production of new models, while transitioning to contract manufacturers for large-scale mass production once designs mature. See “— Manufacturing — Our Cooperation with Contract Manufacturers.” During the Track Record Period and up to the Latest Practicable Date, we were not subject to shortages or material delay in the supply of raw materials from our major suppliers.

We typically enter into supply agreements with these suppliers, the salient terms of which are set out below:

- **Products.** Our suppliers provide us with products as specified in the agreement.
- **Payment.** We are required to make payments to the supplier according to the payment schedule agreed by the parties. We may reserve a certain amount as a warranty deposit, which will be paid to the suppliers upon the expiration of the warranty period, as per the agreed terms.
- **Credit Term.** Our suppliers generally settle with us by wire transfer and grant to us credit terms within five to 30 days from invoice date. Certain suppliers also require for prepayment.
- **Delivery.** Our suppliers are typically responsible for delivering the products to our designated location as specified in the agreement and are responsible for any associated logistics costs.
- **Inspection and Acceptance.** We have the right to conduct inspections based on mutually agreed-upon standards as well as national, local and industry standards. Our suppliers are responsible for any product quality issues that do not meet requirements.
- **Warranty.** Suppliers offer varying warranty periods based on the product type. These warranties are typically for a fixed term ranging from six months to one year.
- **Maintenance.** Maintenance services will be regularly provided as specified in the agreements.
- **Termination.** We are generally entitled to early termination rights if our suppliers fail to deliver within the agreed timeframe or the acceptance inspection after installation and commissioning fails. The agreements may also be terminated as mutually agreed by both parties.

During the Track Record Period, we also engaged various automotive OEMs to manufacture our AiTruck. Suppliers of our AiTruck are typically selected based on their vehicle performance, price, market competitiveness and reputation, and whether the OEM’s manufacturing and delivery capability can support the needs of our projects. For details on the primary ways that we cooperate with automotive OEMs, see “— Manufacturing — Our Cooperation with Automotive OEMs.” Further, we engage third-party suppliers for testing and other data analysis services, including mapping and data compliance services.

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Supply Chain Management

We typically engage reputable suppliers to ensure the quality of our products. The factors that may affect our selection mainly include technological expertise, product quality, qualifications and credentials, market reputation, price and track record for stable supply. In addition to vetting new suppliers, we also conduct annual review and evaluations of existing suppliers and require suppliers to promptly address any issues discovered during such evaluations, and we may terminate suppliers who continuously fail to meet our standards.

We have a dedicated team that focuses on establishing and deepening our supplier relationships, implementing our quality control standards, enhancing our bargaining power in raw material pricing, and enforcing comprehensive risk management measures throughout the entire procurement process. Our supply chain management system is equipped with data and analysis capabilities, which can reduce procurement costs, improve the implementation of quality control, and optimize overall operational efficiency.

During the Track Record Period, consistent with the industry practice, we sourced chips and LiDAR for our autonomous trucking solutions from a limited number of suppliers. We do not rely on any single or limited number of suppliers for our critical components. We have established a supply chain system featuring multi-source procurement and validated alternatives, ensuring that each core component category is covered by at least three qualified suppliers. As of the Latest Practicable Date, we have not experienced any project delays caused by supplier disruptions, price increases, or capacity shortages. We have been conducting technical adaptation and validation with multiple suppliers, and possess the capability to switch to alternative components in response to unforeseen circumstances.

Major Suppliers

Our major suppliers primarily include technology and machinery companies as well as automotive OEMs during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, charges from our largest supplier in each year for our key business operations accounted for 10.1%, 16.1% and 16.6%, respectively, of our total purchase amount during those periods. For the years ended December 31, 2023, 2024 and 2025, charges from our five largest suppliers in each year for our key business operations accounted for 39.6%, 54.3% and 43.2% respectively, of our total purchase amount during those periods. All of our suppliers we engaged during the Track Record Period are located in the PRC.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period based on purchases from them:

For the year ended December 31, 2023

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchase amount	Year of commencing business relationship	Typical credit terms	Payment method
Supplier A ⁽¹⁾	Bullet camera, supplemental illuminator, pole- mounted cabinet, access switch, termination cabinet, aggregation switch, and LiDAR	16,658.7	10.1%	2022	7 days after delivery of products	Bank transfer
Supplier B ⁽²⁾	Intelligent flatbed transporter	16,156.5	9.8%	2023	15 days after delivery of products	Bank transfer

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Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchase amount	Year of commencing business relationship	Typical credit terms	Payment method
Supplier C ⁽³⁾	Tractor	14,739.8	8.9%	2023	No credit period	Bank transfer and bank acceptance bill
Supplier D ⁽⁴⁾	LiDAR	10,168.1	6.1%	2022	7 days after issuance of invoice	Bank transfer
Supplier E ⁽⁵⁾	Tractor	7,721.2	4.7%	2023	19 days	Bank transfer
		65,444.4	39.6%			

Notes:

- (1) A private company mainly engaged in professional technical services (core business: automobile technology R&D), registered in Jiangsu Province with a registered capital of RMB1.02 million.
- (2) A private company mainly engaged in special equipment manufacturing (core business: robotics R&D and manufacturing), registered in Tianjin with a registered capital of RMB46.55 million.
- (3) A private company mainly engaged in retail business (core business: automobile sales), registered in Heilongjiang Province with a registered capital of RMB5.00 million.
- (4) A private company mainly engaged in computer, communication, and other electronic equipment manufacturing (core business: LiDAR R&D), registered in Jiangsu Province with a registered capital of RMB3.00 million.
- (5) A private company mainly engaged in retail business (core business: automobile sales), registered in Hubei Province with a registered capital of RMB5.00 million.

For the year ended December 31, 2024

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchase amount	Year of commencing business relationship	Typical credit terms	Payment method
Supplier F ⁽¹⁾	Electric tractor	45,017.7	16.1%	2024	No credit period	Bank transfer
Supplier G ⁽²⁾	Intelligence Container Transport Vehicle	31,238.9	11.2%	2023	Installment payment	Bank transfer
Supplier H ⁽³⁾	Tractor	29,380.5	10.5%	2022	No credit period	Bank transfer
Supplier I ⁽⁴⁾	Internet of Things hardware components and supporting technical services	25,878.9	9.2%	2024	30 days after issuance of invoice	Bank transfer
Supplier J ⁽⁵⁾	Customized system development and supporting technical services	20,434.0	7.3%	2024	30 days after delivery of products	Bank transfer
		151,950.0	54.3%			

Notes:

- (1) A private company mainly engaged in retail business (core business: automobile sales), registered in Zhejiang Province with a registered capital of RMB2.00 million.
- (2) A private company mainly engaged in special equipment manufacturing (core business: port machinery manufacturing), registered in Jiangsu Province with a registered capital of RMB300.00 million.
- (3) A private company mainly engaged in retail business (core business: automobile sales), registered in Zhejiang Province with a registered capital of RMB5.00 million.
- (4) A private company mainly engaged in software and information technology services, registered in Shaanxi Province with a registered capital of RMB1.00 million.

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- (5) A private company mainly engaged in software and information technology services (core business: artificial intelligence technology R&D), registered in Beijing with a registered capital of RMB2,300.00 million.

For the year ended December 31, 2025

Supplier	Products/ services purchased	Purchase amount	% of total purchase amount	Year of commencing business relationship	Typical credit terms	Payment method
(RMB'000)						
Supplier K ⁽¹⁾	Truck	63,253.3	16.6%	2025	No credit period	Bank Transfer
Supplier L ⁽²⁾	Truck	28,539.8	7.5%	2025	25 days	Bank Transfer
Supplier M ⁽³⁾	Truck	25,614.2	6.7%	2025	No credit period	Bank Transfer
Supplier J ⁽⁴⁾	Technical services	25,334.8	6.7%	2024	10 days	Bank Transfer
Supplier N ⁽⁵⁾	Truck	21,536.3	5.7%	2025	No credit period	Bank Transfer
		164,278.4	43.2%			

Notes:

- (1) A group of private companies mainly engaged in automobile sales, services and manufacturing, all registered in Zhejiang Province with a registered capital of RMB10.00 million, RMB40.00 million and RMB5.02 million, respectively. Supplier K represents three companies, which are controlled by the same individual as to indirectly 90%, directly 45%, and directly 90%, respectively. These three companies are consolidated for illustrative purpose. For the year ended December 31, 2025, our purchase amount from each of the entities amounted to RMB31.4 million, RMB16.0 million, and RMB15.9 million, respectively, accounted for approximately 8.3%, 4.2% and 4.2% of our total purchase amount for the year.
- (2) A private company mainly engaged in retail (core business: automobile sales and services), registered in Ningxia Hui Autonomous Region with a registered capital of RMB5.00 million.
- (3) A private company mainly engaged in retail (core business: automobile sales and services), registered in Xinjiang Uygur Autonomous Region with a registered capital of RMB1.00 million.
- (4) A private company mainly engaged in science and technology promotion and application services, registered in Beijing with a registered capital of RMB2,300.00 million.
- (5) A private company mainly engaged in wholesale trade, registered in Shanghai with a registered capital of RMB10.00 million.

Our major suppliers varied annually due to the project-based nature of our business. A substantial portion of our purchase amount of radar, LiDAR and cameras was attributed to limited number of suppliers during the Track Record Period, the main reason being that we have established relatively stable cooperative relationships with these suppliers, and these suppliers are industry-leading in terms of price, technology and other aspects.

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of the Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers. To the best knowledge of our Directors, none of our five largest customers in each year during the Track Record Period were also our suppliers, and none of our five largest suppliers in each year during the Track Record Period were also our customers.

MANUFACTURING

We engage automotive OEMs for the manufacturing of our AiTruck and contract manufacturers for the production of certain components including intelligent driving domain controllers and sensors. As at the Latest Practicable Date, we do not own or operate any facility.

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Our Cooperation with Automotive OEMs

We collaborate with automotive OEMs in the following primary collaboration models: we procure drive-by-wire chassis from automotive OEMs and entrust them to install and integrate our independently developed autonomous driving hardware and software systems. We then deliver the autonomous trucks to end customers.

We are responsible for the design of autonomous driving technology, providing autonomous driving hardware and software, offering technical guidance and conducting vehicle testing under all collaboration models above. Under this model, we design and customize components such as autonomous driving hardware and software systems and ship them to the automotive OEMs for installation and commissioning. All vehicles delivered to customers bear the brand of the respective automotive OEM, with our logo either painted or affixed on the vehicle body. Despite this delivery model, we maintain flexibility in our OEM partnerships and are not dependent on any single automotive OEM. During the Track Record Period, we collaborated with a diverse network of automotive OEM partners. For the years ended December 31, 2023, 2024 and 2025, we engaged 10, 8 and 9 OEMs, respectively. For the years ended December 31, 2023, 2024 and 2025, the aggregate transaction amounts with our top five OEMs were approximately RMB37.6 million, RMB112.4 million and RMB156.3 million, accounting for 95.8%, 99.5% and 91.2% of our total transaction amounts with OEMs, respectively. While our transactions are concentrated among a limited number of OEMs, our delivery model allows us to source chassis from alternative suppliers as needed based on project requirements and commercial terms.

The salient terms of our agreements with automotive OEMs are set forth as below:

- **Products.** Our OEMs provide us with customized vehicle bodies and/or parts according to our requirements and technical specifications.
- **Term.** Typically, until both parties fulfill their obligations under the agreement.
- **Payment.** We are required to make payments to our OEMs according to the payment schedule agreed by the parties. Certain agreements contain “pay if paid” clauses, whereby our payment to the supplier is due only if and when we receive payment from our end customer.
- **Credit Term.** Our OEMs generally settle with us by wire transfer and grant to us credit terms within 90 days from invoice date. Certain suppliers also require for prepayment.
- **Delivery.** Our OEMs are typically responsible for delivering the vehicles and/or parts to our designated location as specified in the agreement and are responsible for any associated logistics costs.
- **Inspection and Acceptance.** We have the right to conduct inspections based on mutually agreed-upon standards as well as national, local and industry standards. Our OEMs are responsible for any product quality issues that do not meet requirements.
- **Warranty.** Our OEMs offer warranties based on the components provided. These warranties are for a fixed term.
- **IP.** Our OEMs typically own the copyright of the equipment user manuals, technical materials and drawings.
- **Confidentiality.** We and our OEMs are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party.
- **Termination.** Both parties are entitled to terminate the agreements if the other party fails to cure a breach of terms within the notice period.

Our outsourced manufacturing arrangements primarily involve the production of our autonomous driving vehicles. The scope of our outsourced processes primarily encompasses the procurement of customized drive-by-wire chassis from automotive OEMs, who are then entrusted to conduct chassis modifications, as well as the installation, integration, and vehicle-level

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calibration of our independently developed autonomous driving hardware and software systems. The typical operational process spans requirement analysis, design and development, testing and prototyping, small-batch trial production, and mass production, with a focus on risk management and iterative optimization to ensure product quality. According to Frost & Sullivan, such outsourcing manufacturing mode is in line with industry norms of the autonomous driving industry.

Regarding intellectual property rights, there is a clear delineation of ownership between the Group and the automotive OEMs. We retain full ownership of our core proprietary technologies, including autonomous driving algorithms, core hardware designs, and related software systems. Conversely, the automotive OEMs retain the IP rights associated with the vehicle itself, such as the vehicle chassis design and traditional automotive manufacturing technologies. To safeguard our rights, we execute strict non-disclosure agreements and confidentiality agreements with OEMs that include specific protective clauses covering product data and technical information, ensuring that our proprietary technologies and trade secrets are protected against unauthorized disclosure or infringement throughout the outsourced manufacturing process.

We provide operation and maintenance services to our customers who are the end users of the autonomous driving vehicles, in accordance with our sales agreements. In the event that maintenance services for parts and components provided by the automotive OEMs are requested by our customers, we will promptly make requests to the automotive OEMs, who shall be responsible for the provision of such services as stipulated in their agreements with us.

Our Cooperation with Contract Manufacturers

We typically engage contract manufacturers for production rather than procuring from third-party suppliers in cases where hardware or components meeting our required quality or specifications are not readily available on the market or such hardware or components require customization to our autonomous trucks.

The salient terms of our agreements with contract manufacturers are set forth as below:

- **Products.** Our contract manufacturers provide us with products as specified in the agreement.
- **Payment and delivery.** We are required to make timely payment to contract manufacturers.
- **Delivery.** Contract manufacturers are responsible for delivery of products to our designated location specified in the agreements and are responsible for any associated logistics costs.
- **Quality assurance.** Products are accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the contract manufacturers are responsible for replacement.
- **Confidentiality.** We and our contract manufacturers are obliged to keep confidential any information in relation to the performance of the agreements, including but not limited to the confidential information received from the other party.
- **Termination.** We have the right to terminate the agreement if the contract manufacturers fail to deliver within the agreed timeframe.

We engage contract manufacturers to produce certain autonomous driving-related hardware and components in accordance with our technical specifications, which primarily include domain controllers, sensor integration modules, and communication and edge computing devices related to our cloud control system. Certain of such domain controllers and sensors constitute key hardware components of our solutions. Our contract manufacturers primarily perform manufacturing, welding and assembly services based on our designs, technical standards and production requirements. The key difference between contract manufacturers and OEMs lies in their scope and strategic role.

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While automotive OEMs are responsible for the production of autonomous vehicles and typically maintain a platform-level cooperative relationship with us, contract manufacturers focus on producing specific, standardized hardware modules based on our designs without involvement in vehicle-level system integration, thereby enhancing our supply chain flexibility.

We protect our intellectual property rights relating to such products through a combination of contractual arrangements and internal technical controls. In particular, we retain control over product design, technical specifications and core software and algorithm development, and only provide contract manufacturers with the manufacturing information necessary for them to perform the relevant production and assembly work. We also enter into confidentiality and intellectual property protection provisions with such contract manufacturers, and maintain internal controls over access to technical information, production supervision, quality inspection and product acceptance.

We cooperated with one major contract manufacturer during the Track Record Period. Based on our Directors’ assessment and prevailing market conditions, there are other qualified contract manufacturers in the market that are capable of providing similar manufacturing services, and we believe that alternative arrangements could be made within a reasonable time if necessary.

QUALITY CONTROL

Quality Control System

We are committed to maintaining the highest level of quality in our products and solutions. We have designed and implemented a quality control and management system that provides the framework for continuous improvement of products and processes. We have also implemented a review process to conduct regular systematic reviews of our quality management system, in order to closely monitor the implementation of our quality management system.

Quality Management System Design and Implementation

We have built a quality management system (“QMS”) in line with ISO9001:2015, guided by four core principles of customer-centricity, full employee engagement, process approach, and continuous improvement. The QMS covers the entire product lifecycle and operates on a closed-loop mechanism, ensuring standardized, traceable and controllable operations at all stages.

Regarding the safety requirements of our autonomous driving systems, we have established a functional safety management system compliant with ISO 26262 including conducting hazard analysis and risk assessment to identify potential hazards in autonomous driving scenarios, define automotive safety integrity level and set safety objectives. We also implement end-to-end safety control, including safety requirement decomposition, safety architecture design, and safety verification, to ensure the system remains safe even in case of faults.

Key Process Quality Control Measures

Regarding software quality control and testing:

- **Code Quality Management:** we implement static code analysis, dynamic testing and formal verification. We also adopt pipelines to automate code reviews, unit test coverage monitoring and regression testing, ensuring traceability of code changes.
- **Simulation and Road Testing:** we build a high-precision simulation platform covering different scenarios (such as urban roads, highways and adverse weather conditions). We conduct road tests with V2X devices to verify the real-time performance and accuracy of the perception-decision-control loop.

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Regarding hardware quality control and inspection:

- **Supplier Management:** we establish an approved vendor list for key hardware (such as sensors, domain controllers and drive-by-wire chassis). We apply statistical process control to monitor suppliers' production parameters and ensure component consistency.
- **Production Process Control:** we deploy automated testing equipment combining with manual inspection to achieve full inspection of the finished hardware. We also conduct process capability analysis for key processes like welding, surface mount technology and assembly to ensure that the production processes remain stable and controlled.

Regarding project-level quality control and integration testing:

- **System Integration Verification:** we perform system-level integration testing to validate interface compatibility and functional collaboration of subsystems, including perception, decision-making, control and execution. We also use Hardware-in-the-Loop (HIL), Software-in-the-Loop (SIL) and Vehicle-in-the-Loop (VIL) testing platforms to simulate complex operating conditions.
- **Reliability Engineering:** we conduct accelerated life testing to assess the service life of our autonomous driving products, environmental adaptability testing and electromagnetic compatibility testing to ensure stable performance of our products and solutions throughout the design lifecycle.

Continuous Improvement and Management Review

We adopt a four-in-one continuous improvement mechanism integrating internal audits, management reviews, customer feedback and data analysis. We conduct regular internal audits to identify non-conformities in QMS operation, formulate corrective actions and track verification. We also hold semi-annual management reviews led by senior management to evaluate QMS effectiveness, identify improvement opportunities and update quality objectives. We leverage statistical techniques, including statistical process control (SPC) and measurement system analysis (MSA), to conduct regular monitoring of key quality indicators, which specifically cover core dimensions such as defect rate, and first-pass acceptance rate.

Certification Compliance and Monitoring

As of December 31, 2025, we have obtained and maintained ISO 9001 (quality management) and ISO 26262 (functional safety) certifications. We conduct regular internal audits, management reviews and third-party audits to ensure ongoing compliance with standards.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material incidents of product recalls and/or returns, product liability claims and/or product safety issues.

Product Return and Warranty Policies

For our autonomous driving solutions provided to our customers, we provide routine maintenance and inspection services to support the continued performance of our autonomous driving solutions in accordance with the scope and the conditions set forth in the contract. We generally provide a warranty period of six months to two years for our products. We may also offer extended warranty services based on customers' specific needs.

Upon notice from our customers regarding any failures occurred in the course of the operation of the autonomous trucks, we confirm relevant information with them and arrange inspection, repair or replacement accordingly. If our autonomous trucks or related hardware is confirmed to be non-conforming for quality issues, we provide maintenance, repair or replacement services free of charge. During the Track Record Period, we did not experience any material product returns or warranty issues due to the quality of our offerings.

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SALES AND MARKETING

Pricing Strategy

We price our products, solutions and services considering various factors including product functionality, technological complexity, procurement and delivery costs, and the value created for customers. Each has a distinct cost structure. As our solutions are highly customized and include different combinations of AiTruck, AiBox and AiCloud, our pricing is tailored to the specific solution designed for each customer.

In particular, regarding our AiTruck, we typically apply an increase to the product price provided by OEMs, subject to specific customer requirements and negotiation results. Regarding our AiBox, we adopt a cost-plus pricing strategy, charging a certain multiple of the hardware bill of materials, or alternatively, pricing based on the potential labor costs saved by our customers by using our products. Regarding our AiCloud, we typically determine pricing based on product functions and the number of vehicles managed, with prices negotiated on a project-by-project basis.

We manage the impact of potential raw material shortages or price fluctuations through the following measures: (i) supply chain diversification, by introducing alternative suppliers or diversifying procurement regions to avoid reliance on a single supplier and mitigate supply disruption risks. Specifically, we maintain more than two qualified suppliers for core raw materials; (ii) collaborative monitoring, by actively tracking procurement cycles, and establishing mechanisms with suppliers for routine communication regarding potential risks; and (iii) strategic agreements, by entering into framework pricing agreements with key suppliers for specified periods to lock in prices, thereby coping with price fluctuations and ensuring the stable supply of critical components.

Marketing

We have a resource-pooling sales team and have adopted a specialization driven management model. By integrating business development and technical pre-sales functions, we maintain a unified sales system capable of coordinating multiple product lines to maximize project opportunities. We complement this with comprehensive marketing and branding strategies designed to highlight the technical advancements and competitive advantages of our solutions and to reach prospective customers through multiple channels. Our customer acquisition and business opportunities are also driven by our CEO’s industry influence through expert speeches, recommendations from government bodies and industry associations, public bidding, and strong referrals from existing customers and partners. Notably, our flagship projects, such as the highly automated Tianjin Port, frequently attract visits from global port groups, creating a powerful self-propagation effect for our brand. As a supplement to our direct efforts, we engage third parties to provide business development services to help expand our market reach and acquire customers.

BUSINESS SUSTAINABILITY

During the Track Record Period, we recorded net losses of RMB212.6 million, RMB187.2 million and RMB170.9 million for the years ended December 31, 2023, 2024 and 2025, respectively. We also recorded adjusted net losses of RMB149.1 million, RMB104.6 million and RMB83.3 million for the same periods. These losses were primarily attributable to: (i) our continued investment in research and development, which is essential for refining our autonomous driving technologies and maintaining our competitive edge; (ii) significant finance costs, primarily consisting of interest expenses on redemption liabilities related to shares with preferential rights issued to our [REDACTED] investors; and (iii) operating expenses that exceeded our gross profit during the early stage of commercialization, as our business scale has not yet reached the critical mass necessary to fully realize economies of scale. We had also accumulated losses as at the beginning of the Track Record Period. We expect to continue to record net losses in the foreseeable future, including in 2026, as we continue to invest in research and development and expand our commercial operations. Such losses are expected to persist until we achieve sufficient revenue scale for our gross profit to exceed our total operating expenses and our finance costs normalize following the conversion of redemption liabilities into equity upon [REDACTED].

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Notwithstanding the above, our Directors believe that the Group has established a foundation for its transition towards profitability. During the Track Record Period, we have demonstrated consistent revenue growth that validates our commercialization strategy. During the Track Record Period, we successfully commercialized our core solution suites, primarily Trunk Port and Trunk Pilot, while advancing the deployment of Trunk City. Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025, representing a CAGR of 60.3%. In addition, our profitability has strengthened. Our gross profit margin improved from 12.2% in 2023 to 22.7% in 2024, and further to 27.1% in 2025. Demonstrating our improved operating leverage, our net loss narrowed continuously during the same period, decreasing from RMB212.6 million in 2023 to RMB170.9 million in 2025. These trends, together with our secured order backlog providing near-term revenue visibility and our proven unit economics in core scenarios, underpin our Directors’ confidence in the Group’s path to profitability.

Path to Profitability

Our long-term sustainability strategy is designed to address structural challenges within China’s road logistics industry. According to Frost & Sullivan, the market size of China’s autonomous driving solutions for commercial vehicles industry is projected to maintain steady growth. We believe our technology offers a viable alternative to traditional labor-dependent models, effectively accelerating the transition toward “intelligent-driven” operations. Central to our business sustainability is the proven unit economics of our Trunk Port segment. For example, by achieving fully driverless operations in mixed-traffic port environments, we deliver quantifiable value to customers, including a reduction in driver-related labor costs by approximately 80% and energy consumption by approximately 15%.

As our revenue continues to scale and operating leverage improves, our Directors expect the Group’s financial performance to progressively strengthen, driving our transition toward profitability and positive operating cash flow. To further consolidate our foundation and achieve this financial milestone, we are implementing targeted strategies across four key levels:

Segment Growth Strategies

- Maintaining stability and consolidating leadership in Trunk Port: While Trunk Port represents our first-mover advantage and provides a solid foundation with proven unit economics, the overall market capacity for such closed-road scenarios is relatively bounded. Therefore, our strategic focus for this segment is to maintain steady operations, deepen cooperation with existing key customers to secure recurring revenue, and solidify our market position, while also leveraging the technological advantages accumulated from our existing operations to expand into new closed-road application scenarios such as airports. We expect the revenue contribution proportion from Trunk Port to remain relatively stable.
- Accelerating growth in open scenarios through Trunk Pilot and Trunk City: We expect our future growth momentum to be primarily driven by our open-scenario solutions. According to Frost & Sullivan, the market for autonomous driving solutions for commercial vehicles in long-haul logistics is expected to begin large-scale development in 2027, with the market size by revenue expected to increase from RMB1.2 billion in 2026 to approximately RMB52.7 billion in 2030 at a CAGR of 158.5%. To capture this upcoming window of opportunity, we have established an “autonomous driving system + OEM manufacturing” model, collaborating with mainstream commercial vehicle OEMs to adapt our systems across various vehicle platforms without relying on self-built production capacity. Furthermore, we have built a robust customer pipeline by partnering with bulk transportation enterprises, LTL logistics operators, and express delivery companies, and have already commenced the promotion of our platoon bulk transportation solutions in Northwest and North China.
- Concurrently, the market for urban logistics autonomous driving solutions is expected to grow from RMB3.4 billion in 2026 to approximately RMB47.0 billion in 2030 at a CAGR of 92.2%, according to Frost & Sullivan. Trunk City presents significant growth potential in this expanding market. We are currently in active discussions with a number of potential customers regarding Trunk City projects, including several integrated vehicle-road-cloud projects being pursued with municipal authorities and leading technology customers across a range of regions in China, each of which is expected to

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contribute meaningfully to our path to profitability. These opportunities are typically developed through two complementary channels: (i) leveraging our proven technological capabilities and track record to identify and pursue regional development opportunities. Our demonstrated capabilities and successful deployments have enabled us to establish ongoing dialogue directly with potential customers pursuing regional development initiatives, including cities such as Hefei, Yinchuan and Chongqing, and certain of our strategic investors further complement these efforts by leveraging their understanding of local market conditions and infrastructure development priorities to support our identification of market opportunities for integrated vehicle-road-cloud solutions; and (ii) ecosystem collaborations with leading technology and digital infrastructure partners, including established technology companies that bring complementary autonomous driving and intelligent transportation capabilities, telecommunications operators and smart city solution providers that supply the connectivity and cloud-control infrastructure underlying vehicle-road-cloud deployments and intelligent hardware specialists, as well as with local industrial players, such as commercial vehicle OEMs, logistics enterprises, energy companies and regional transportation operators, through which we jointly develop end-to-end project proposals. Our competitive advantage in this nascent market stems from our “hub-to-network” expansion strategy, allowing us to extend our proven capabilities from ports and highways directly into urban distribution. To lower deployment barriers and facilitate scalable replication, we have developed specialized products, such as the T-Van, specifically tailored to meet the unique vehicle form factors, operational environments, and regulatory requirements of urban logistics. See “ — Research and Development — Key Research Projects”.

During the year ended December 31, 2025, while the Group had entered into a contract with a local government authority in Jiangsu Province with an aggregate contract value of approximately RMB14.1 million, such project had not yet reached the acceptance milestone required for revenue recognition. Accordingly, the Group did not generate any revenue from the Trunk City segment in 2025. See “— Our Solutions and Services — Trunk City”. The absence of Trunk City revenue in 2025 was attributable to the timing of project execution and the acceptance-based revenue recognition model, rather than a lack of commercial demand or customer engagement. Since the end of the Track Record Period, the Group has continued to expand its Trunk City project pipeline, including entering into an additional contract for the Jiangsu project in April 2026, bringing the aggregate contract value of that project to approximately RMB20.3 million. See “Summary — Recent Development and No Material Adverse Change”. The Group’s order backlog for the Trunk City segment as of April 30, 2026 was approximately RMB40.4 million.

Consequently, we expect that our overall business and revenue growth will be increasingly driven by the Trunk Pilot and Trunk City segments. This strategic shift towards open scenarios aligns with broader market trends and our long-term commercialization roadmap, ensuring sustainable expansion while maintaining the steady baseline provided by our Trunk Port solutions.

Strategic Optimization of Product Mix

A central pillar of our profitability strategy is to optimize our revenue mix towards higher-margin products, in particular our AiBox and AiCloud products, which achieved gross profit margins of approximately 46% and 83%, respectively, in 2025, compared to approximately 7% for our AiTrucks. As detailed in our financial analysis, our gross profit margin is structurally driven by the composition of our solution deliveries. In addition, the expansion of our installed base, being the cumulative number of products deployed and in active operation at customer sites, is expected to generate increasing demand for recurring software and hardware upgrade services over their operational life cycles. Such follow-on demand may include, among others, (i) software upgrades from L2 autonomous driving functions to L4 autonomous driving capabilities; (ii) replacement or upgrade of edge-side devices and other hardware components, and (iii) additional cloud-based products and services to support fleet management, vehicle dispatch and the operation of autonomous vehicles. For example, a major port customer initially purchased 47 AiTrucks from us in 2022. Following approximately one year of stable operation, the same customer purchased 47 sets of our AiBox products in 2024 to upgrade its fleet to achieve fully autonomous driving

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capabilities. These follow-on products and services generally carry higher gross profit margins than initial AiTruck deliveries, particularly where the follow-on demand relates to software upgrades and cloud-based products and service. As of the Latest Practicable Date, we had cumulatively delivered 1,283 AiTrucks and 381 sets of AiBox. We believe this deployed base provides a growing foundation for future recurring revenue opportunities, as existing customers may continue to require software upgrades, hardware maintenance, component replacements or upgrades, and cloud-based operational support services. The actual level of revenue and gross profit contribution from such follow-on opportunities will depend on, among other factors, the scale of customers’ deployed fleets, their operating scenarios, the pace of adoption of higher-level autonomous driving functions, and their demand for fleet management, dispatch and other operational support solutions. However, we expect the overall margin profile to improve as our installed base grows and the proportion of value-added upgrade services increases over time.

Improvement in Operating Efficiency

During the Track Record Period, we achieved improvements in operating efficiency, as reflected in the decline of our total operating expenses as a percentage of revenue. Our research and development expenses as a percentage of revenue decreased from 89.0% in 2023 to 45.3% in 2024, and further to 34.9% in 2025. Similarly, our selling and distribution expenses as a percentage of revenue declined from 14.7% in 2023 to 7.7% in 2024 and further to 6.0% in 2025, while our administrative expenses as a percentage of revenue decreased from 30.2% in 2023 to 11.9% in 2024 and further to 11.1% in 2025. These improvements were driven by the following specific measures implemented during the Track Record Period:

- Technology reuse across scenarios: Our “One Driver” (AiTrucker) system serves as a common foundation across our products. This modular architecture allows perception and planning algorithms refined in complex port scenarios to be effectively applied to highway freight and urban logistics with minimal incremental R&D costs. For example, the underlying vehicle operating system, sensor hardware drivers and communication middleware developed for our Trunk Port solution achieve near-complete reuse across our Trunk Pilot and Trunk City products, substantially reducing the need to rebuild foundational infrastructure for each new scenario. Similarly, our perception neural networks pre-trained on extensive port operational data can be adapted to highway and urban environments through targeted fine-tuning rather than ground-up redesign, and the vehicle motion control algorithms calibrated under the stringent precision requirements of port operations can be directly applied to highway driving where control tolerances are comparatively wider. This cross-scenario reuse has enabled us to expand our product portfolio without proportionate increases in R&D expenditure.
- Asset-light production model through OEM collaboration: Rather than investing heavily in manufacturing facilities, we collaborate with leading OEMs to integrate our software and hardware into the supply chain during the vehicle design phase. This capital-efficient model allows us to scale production without incurring substantial depreciation expenses, and has contributed directly to the improvement in our cost of sales ratio during the Track Record Period.

Going forward, we intend to further improve our operating efficiency through a series of targeted measures. For R&D expenses, we plan to continue to reuse and accumulate technology assets across an expanding range of scenarios, further standardize our software modules, simulation tools and validation processes, and reduce the incremental engineering effort required to enter new application areas. As our R&D activities increasingly shift towards technology iteration and incremental enhancements built upon our established technology platform, we expect the growth rate of our R&D costs to be slower than our revenue growth, which we believe will contribute to a further reduction in our research and development expenses as a percentage of revenue. For selling and distribution expenses, we plan to continue focusing on key customers and replicable commercial scenarios and leverage reference projects and industry partnerships to improve customer acquisition efficiency. We also intend to deepen our penetration in key cities for targeted industry applications, strengthen cross-selling and referral opportunities with existing customers, and further standardize our business processes to shorten sales cycles. For administrative expenses,

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we plan to streamline our corporate organizational structure, maintain a stable headcount for administrative and supporting functions and pursue greater administrative efficiency. As our administrative expenses are relatively fixed in nature and do not generally increase in direct proportion to our revenue, we believe that economies of scale and enhanced administrative efficiency may help reduce our administrative expense ratio over time. In addition, we intend to continue to exercise prudent control over non-essential and discretionary administrative expenses. These planned measures are expected to be implemented progressively and on an ongoing basis in the ordinary course of our business as we expand commercialization, rather than according to a fixed completion timetable. Our Directors believe that the combination of these historical and planned measures, together with the continued growth of our revenue base, provides a reasonable basis for the expected progressive improvement in our operating efficiency.

International Expansion

We are actively diversifying our revenue streams through international expansion. Since September 2025, we entered into two contracts with a leading global port machinery manufacturer to supply our intelligent autonomous driving systems (AiBox) across two phases for deployment at an automated container terminal in Singapore, with an aggregate contract value of approximately RMB5.5 million. Delivery and acceptance for the first two phases are expected to be completed in 2026. We are also in negotiations for a potential third phase and fourth phase with delivery expected in the coming years, respectively. We view this project as a critical step to verify our system’s safety and capabilities in international markets and to establish a reference case for future overseas deployments. In addition, we are in active discussions regarding a number of other business opportunities in markets outside Chinese Mainland including the Middle East, Malaysia, Hong Kong and Brazil. To support this growth, we plan to recruit marketing and technical service personnel dedicated to our international business to deepen our global penetration.

Liquidity

Our future growth is underpinned by a strong order backlog, providing high visibility into our near-term revenue. As of April 30, 2026, our total order backlog was RMB236.0 million. This secured pipeline, combined with our expanding customer base, solidifies the foundation for our continued business expansion.

We maintain prudent liquidity management while investing for growth. We had cash and cash equivalents, financial assets at FVTPL, term deposits and unutilized bank facilities of RMB352.8 million as of April 30, 2026. Taking into account our internal resources and the [REDACTED] from the [REDACTED], our Directors believe we have sufficient working capital to support these strategic initiatives for at least the next 12 months.

Through the systematic implementation of the above strategies, we are laying a solid foundation for long-term sustainable profitability.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

Our autonomous trucks are primarily delivered directly from the production facilities and warehouses of automotive OEMs to customer-designated locations. We understand that such arrangements are consistent with general industry practices.

Inventory Management

Our inventories amounted to RMB8.7 million, RMB1.9 million and RMB19.7 million as of December 31, 2023, 2024 and 2025, respectively. Our inventories during the Track Record Period primarily consisted of raw materials, work in progress and finished goods. We regularly track our inventory to keep it at a level sufficient to fulfill customers’ orders. We also proactively assess

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changes in market conditions and pre-store strategic raw materials in anticipation of potential supply shortage. Our finance team reviews our inventory aging reports routinely and takes necessary actions to minimize risks of obsolescence.

DATA PRIVACY AND SECURITY

During the course of our business, we collect and process certain types of data, including vehicle driving status, command data, abnormal warning information, basic vehicle attribute data, human driving behavior data, and other related data, as well as desensitized geospatial data provided by the surveying and mapping service provider. The types of data collected during the course of our business are solely for the purposes of and are limited to the scope necessary for our business, such as enabling safe functions as well as training and perfection of our autonomous driving solutions. As we do not serve individual consumers, we do not collect personal information from third parties except for necessary contact information of business partners such as suppliers and customers. These data are collected, stored and processed in compliance with our internal procedures and applicable laws and regulations in all material aspects. All data we collected are stored on servers in the PRC, and we do not transmit data from the PRC to other countries/areas or from other countries/areas to PRC.

We consider data security and protection crucial to our operations. We have established a comprehensive system to regulate our data processing activities. We have developed internal rules, policies and protocols to govern data security and how we may use and share data, to preserve individual personal information and privacy. These rules, policies and protocols guide the strategy of our information security and compliance initiatives, prescribe a hierarchical data classification and management system, clarify the management and compliance requirements applicable to the full data processing cycle and for cybersecurity and information system security, mandate trainings for related personnel and prescribe data security and compliance risk assessment and audit procedures. We have set up an emergency response mechanism for information security incidents. All our personnel are required to strictly follow such internal rules, policies and protocols. We have designated personnel responsible for cybersecurity, data security and personal information protection. We conduct training to personnel on cybersecurity, data security and personal information from time to time.

We have implemented a stringent data control system to ensure that only authorized personnel can view and retrieve these video clips and in a manner that meets security, privacy and compliance requirements. The data we collect and generate in our operations within the territory of the PRC is stored and processed on the servers within the territory of PRC. We pay close attention to risk management relating to our IT system, as storage and protection of corporate data and related information is critical to us. To ensure data security, we have adopted industry-standard practices and technical measures to prevent unauthorized access, disclosure, or misuse, including data classification, data backup, data encryption, access control and firewall, antivirus products.

As we do not serve individual consumers, we do not collect personal information from third parties except for necessary contact information of business partners such as suppliers and customers. We have developed and published the privacy policy for personal information processing, which is updated from time to time to reflect our processing activities of personal information. We obtain prior consent to collect such contact information. Such contact information is retained for the minimum time period necessary for processing such contact information. When the retention period expires, we would delete or anonymize the relevant contact information.

We have established cooperation with one service provider with surveying and mapping qualifications, who would provide solutions for the transmission, storage, use, and other processing activities of the geospatial data in order to meet our business needs and to ensure compliance with relevant laws and regulations. Given that there are alternative service providers with similar qualifications in the market, we can readily switch to other suppliers if necessary, and we do not rely on any single or limited number of suppliers for surveying and mapping services. We obtain desensitized data from the said service provider to train our AI models, for example the T-Master autonomous driving system. In particular, the service provider dispatches professional data collection operators holding surveying and mapping operation certificates to us to conduct

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geospatial data collection work. The collected geospatial data is directly transmitted via encrypted hard drive transmission and other encryption methods to the compliant environment controlled by the service provider. After desensitization and anonymization processes that meet regulatory requirements, the data is then transmitted to us for further processing, including the training of our AI models. We requested the service provider to ensure that such data are sourced legally in the service agreement.

As advised by our PRC Legal Advisors, cooperating with qualified surveying and mapping service providers and procuring geospatial data processing solutions from such service providers do not violate PRC law.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us alleging any violation of such party’s data privacy rights, we have not experienced any material data breaches, losses or unauthorized use of data, and our information technology and software systems have not encountered any material malfunction, unexpected system failure or interruption. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we have been in compliance with the relevant PRC laws and regulations in respect of cybersecurity, data security and personal information protection currently effective and applicable to us in all material aspects.

Please also see “Risk Factors — Risks Relating to Intellectual Property Rights, Data Privacy and Information Technology — Failure to comply with data privacy and security laws or failure to implement a sound system and policies with respect to the collection, use, storage, retention, transfer, disclosure, and other processing of data could damage our reputation and deter current and potential customers from using our solutions and services.” and “Regulatory Overview — Laws and Regulations Relating to Cyber Security, Protection of Personal Information and Data Security — Regulations Relating to the Protection of Personal Information and Data Security”.

INTERNATIONAL TRADE POLICIES COMPLIANCE AND RISK MANAGEMENT

During the Track Record Period and up to the Latest Practicable Date, we did not procure any U.S.-origin components, including key components such as battery modules and linear actuators. Such components were sourced from PRC suppliers. Our products are manufactured in the PRC and do not incorporate any controlled U.S.-origin commodities, technologies or bundled controlled U.S.-origin software. During the Track Record Period and up to the Latest Practicable Date, we did not export our products, whether directly or indirectly, to the United States. Accordingly, based on the advice of our International Sanctions Legal Advisors, the recent U.S.-China trade restrictions and tariff policies have not had any material negative impact on our import and export activities.

We have not procured any U.S.-origin chips, however we procured certain U.S.-branded chips that are subject to the U.S. Export Administration Regulations (“EAR”). The aggregate procurement value of such chips during the Track Record Period accounted for less than 1% of our total cost of sales in the corresponding period. Based on our internal export control classification assessment and confirmations received from our suppliers, the relevant chips are predominantly classified as ECCNs controlled only for Anti-Terrorism (“AT”) reasons or EAR99, which generally do not require a licence for export, re-export or transfer except in limited circumstances, (e.g. sanctioned destinations, restricted end users or prohibited end uses).

Our International Sanctions Legal Advisors further advised that, under the EAR, the incorporation of such U.S.-branded chips into our products, would not itself make foreign-made products become subject to the EAR, unless specified de minimis thresholds or foreign direct product rule requirements are met. Based on our product composition analysis and supplier information, the de minimis rule and FDPR are inapplicable, so incorporation of such chips into our products would not cause our products to become subject to the EAR. During the Track Record Period and up to the Latest Practicable Date, none of our customers was identified as being included on any sanctions lists administered by the United States, nor on the U.S. Department of Commerce’s

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Entity List or any other similar restrictive lists. None of our overseas sales were subject to comprehensive sanctions during the relevant periods, and such customers were not identified on any sanctions lists including Specially Designated Nationals (“SDNs”). We did not sell any items subject to the EAR to any entity included on the Entity List or to any restricted end-user under applicable U.S. laws and regulations.

We procured certain goods and services from seven suppliers (the “**Relevant Suppliers**”) that are designated on one or more U.S. export control or restrictive lists, including the Entity List, the Non-SDN Chinese Military-Industrial Complex Companies (“**NS-CMIC**”) List and the Chinese Military Companies (“**CMC**”) List. The aggregate procurement amounts from the Relevant Suppliers accounted for approximately 1.4%, 8.2% and 7.7% of our total purchases in 2023, 2024 and 2025, respectively. Given that our transactions with the Relevant Suppliers constituted ordinary-course commercial transactions, we were not involved in the provision of items subject to the EAR to Entity List parties, and were not involved in any investment in or ownership of entities designated on the NS-CMIC or CMC List.

In light of the above, as our procurement of U.S.-branded chips does not require any licence for export, re-export or transfer, and none of our suppliers or customers are listed on the SDNs or other equivalent sanctions lists, our International Sanctions Legal Advisers are of the view that there is no indication that the foregoing business activities, including transactions with the Relevant Suppliers during the Track Record Period, constituted a violation of applicable U.S. export control or sanctions laws, and such activities do not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities.

We have established internal policies and procedures to manage risks relating to export control, sanctions and trade restrictions. Our internal control framework includes, among others: (i) counterparty screening against applicable sanctions lists; (ii) internal review of product classification for potential export control implications; (iii) contractual compliance undertakings from counterparties; (iv) transaction-level review and approval procedures for higher-risk jurisdictions or counterparties; (v) periodic monitoring of regulatory developments; and (vi) compliance training for Directors, senior management and relevant personnel.

Based on the above and having considered the advice of our International Sanctions Legal Advisers, our Directors are of the view that our internal control measures are reasonably designed and implemented to identify, monitor and manage material export control and sanctions-related risks. Based on the (i) advice provided by the International Sanctions Legal Advisers regarding the Group’s actual and potential exposure to international trade restrictions, tariff policies, and sanctions; (ii) the Group’s supply chain, procurement channels, customer base, and the end-destinations of the Group’s products (in particular, the absence of U.S.-origin controlled components and the lack of product resale into the U.S. by non-U.S. customers); (iii) the internal control policies and procedures adopted by the Group in relation to export control and sanctions risk management, the Sole Sponsor concurs with the Directors’ assessments that (a) the recent U.S.-China trade restrictions, tariff policies, and international sanctions have not had, and are not expected to have, any material adverse direct or indirect impact on the Group’s business operations and financial performance; and (b) the Group’s internal control measures to identify, monitor, and manage material export control and sanctions-related risks are adequate and effective.

EMPLOYEES

As of December 31, 2025, we had 140 full-time employees. The following table sets forth a breakdown of the number of our employees as of December 31, 2025 by their respective duties and business functions.

Function	Number	% of Total
General and Administrative	28	20.0%
R&D	85	60.7%
Production and Supply	6	4.3%
Sales and Marketing	21	15.0%
Total	140	100%

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All of our employees are based in the PRC. Our success depends on our ability to attract, retain and motivate qualified professionals. We implement rigorous standards and structured procedures in our recruitment, including campus recruitment, internal referrals and executive search, to meet our diverse talent needs. We recruit employees based on their educational background, relevant experience in similar roles, professional qualifications, and our expansion strategies and expectations for the job positions. We offer market-competitive compensation packages to our employees. In addition, we regularly evaluate the performance of employees and reward high performers with enhanced compensation or promotional opportunities. We provide regular training customized to the needs of our employees, including but not limited to technology development and corporate management. Our employees can also enhance their skills through participation in our technological development initiatives and peer learning.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We also enter into standard contracts and agreements regarding confidentiality, non-competition and intellectual property, employment and commercial ethics with our executive officers and full-time employees.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any significant labor disputes or any material difficulty in recruiting staff for our operations.

INSURANCE

We maintain insurance policies pursuant to PRC regulations and based on our assessment of our operational needs and industry practice. We provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in the PRC.

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. Our projects operate on a turnkey basis, where the ownership of autonomous driving trucks and other components is transferred to our customers upon delivery. Since insurance policies are generally purchased by the asset owner, our customers will procure the insurance coverage for the relevant assets as necessary. According to Frost & Sullivan, such practice is generally in line with the industry norm. According to our PRC Legal Advisor, depending on the type of insurance purchased by the asset owner and the specific provisions of the insurance contract, it may include the legal liability of the Group in the event of product defects or malfunctions leading to traffic accidents, delayed delivery and/or product recalls. We do not maintain key man life insurance, insurance policies covering damages to our autonomous driving solutions or vehicles or any insurance policies for our properties. See the section headed “Risk Factors — Risks Relating to Our Operations in General — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition”. We believe that our existing insurance coverage is sufficient for our present operations. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claim in relation to our business.

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ENVIRONMENTAL, SOCIAL RESPONSIBILITY AND GOVERNANCE

Governance and Policies for Environmental, Social, and Governance (“ESG”)

We are committed to creating long-term value for society through innovative technologies while actively fulfilling our corporate social responsibilities and promoting sustainability.

To ensure the effective execution of our ESG initiatives, we have established an ESG governance structure led by top management and supported by cross-departmental collaboration. The Board is responsible for oversight of ESG matters, including identifying and assessing ESG-related risks and opportunities, approving ESG strategy and policies, priorities and targets, and supervising ESG risk management and internal controls. The Board determines material ESG issues through integration into day-to-day management, periodic evaluation and reporting, and engagement with stakeholders, including investors, customers, partners and employees. We also monitor compliance with applicable laws and regulations, promote employee awareness and participation in ESG initiatives, and support community investment. An ESG working group under the Board implements the ESG policies and targets established by the Board, including environmental management, employment and labour practices, occupational health and safety, product responsibility, supply chain management and business ethics.

Our ESG policy framework covers environmental compliance, social responsibility, and ethical standards. We regularly review the effectiveness of policy implementation and make adjustments in response to external developments and evolving internal needs. In the past, our ESG compliance costs exhibited characteristics of decentralized control at the departmental level, with a relatively simple expenditure structure. As global attention to ESG continues to intensify, including in jurisdictions where we operate, our compliance costs may increase. We will continuously track ESG regulations and demands, refine and enhance our practices and transparently communicate our ESG strategies, measures, and progress to shareholders, employees, customers, and other stakeholders.

Our Board of Directors places strong emphasis on strategic oversight and professional decision-making in ESG matters. Our board includes several independent non-executive directors with extensive listed-company governance experience and a deep understanding of capital markets and ESG management. To ensure that our ESG practices consistently meet the latest Hong Kong Stock Exchange requirements and remain aligned with international disclosure standards such as ISSB, we plan to organize specialized ESG training for all board members to strengthen the professionalism and forward-looking nature of our ESG-related decisions. In terms of review mechanisms, the Board will convene meetings twice a year to assess the ESG initiatives and performance outcomes submitted by management. With the Board’s deep experience in ESG governance and its strong oversight framework, we are confident in deeply integrating ESG principles into our corporate strategy and generating long-term sustainable value for our shareholders.

Management and Practices for ESG

We are committed to promoting sustainability through technological innovation and strive to maintain a leading position in environmental protection, social responsibility, and corporate governance. We believe continuous innovation and responsible operations create greater value for investors, employees, and society.

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Environmental Protection

Low-Carbon Operations

We focus on reducing energy consumption, minimizing resource waste, and striving to lower greenhouse gas emissions in its green operations. We place great emphasis on the guiding role of ESG goals and have established clear phased targets, including reducing energy consumption per unit of output value by 20% and increasing the waste recycling rate to 80% by 2030. Using 2025 as the base year, we aim to achieve a 30% reduction in total greenhouse gas emissions (Scope 1 and Scope 2) intensity by 2030, and plan to disclose Scope 3 greenhouse gas emissions in 2028, while actively exploring pathways to achieve carbon neutrality in our operations in the future. Moving forward, we will continue to benchmark against industry best practices and, based on our operational characteristics, set more quantifiable and traceable goals to drive both the company and our supply chain partners toward green transformation, ensuring the effective implementation of sustainable practices and the achievement of tangible results.

To ensure the effective implementation of our goals, we actively promote the adoption of energy-saving technologies in our offices, R&D centers, and production facilities, employing high-efficiency energy management systems to optimize the use of lighting, air conditioning, and other energy-consuming equipment. Through the formulation of “Inventory Disposal Management System”, the advancement of material recycling, the standardization of scrapping conditions and disposal processes, and the enhancement of waste classification and recycling, we aim to minimize the environmental impact of our operations. We have established specialized storage facilities that comply with the applicable standards for the classified temporary storage of various types of waste, and have entrusted qualified partners to carry out harmless treatment or resource utilization. In particular, for our office premises, we have fully integrated with the property management’s waste recycling and disposal system to unify the management of disposal methods and final destinations for all categories of waste. In the future, we will continue to manage and track our performance in areas such as clean energy use, raw material utilization, waste management, and carbon emissions through refined operational practices and digital tools. We will advance green production in a systematic manner, promote green office practices, drive innovation in green logistics, and explore green research and development. Through regular monitoring, public disclosure, and linking performance to goals, we will ensure the effective implementation of all targets and remain committed to achieving long-term, systematic progress in the field of ESG.

Green Transportation

As a leading autonomous trucks company in the PRC, we leverage our technology to promote low-carbon transportation. Our autonomous driving systems optimize driving behavior to reduce fuel consumption and carbon emissions through precise speed control, intelligent route planning, and reduced empty miles, enhancing fuel efficiency and lowering CO₂ emissions from traditional fuel-powered trucks.

We have participated in multiple domestic green transformation projects for the transportation sector and invested in and operated hundreds of new energy intelligent trucks in port logistics hubs and high-speed trunk logistics scenarios. We contributed to the construction of the world’s first smart zero-carbon terminal, Tianjin Port Beijiang Port Area Terminal C, and supported multiple green logistics demonstration projects. In regions including Beijing-Tianjin-Hebei, Shandong, and the Yangtze River Delta, we are exploring a model of smart green logistics that combines new energy and autonomous driving. Through cooperation with leading logistics enterprises, we provide intelligent logistics services that improve quality, reduce costs, increase efficiency, and support low-carbon sustainable development.

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Social Responsibilities

We acknowledge that the fulfillment of our social responsibilities is a key component of our ESG approach. We seek to leverage the social value of our technologies through initiatives relating to employee welfare, customer service, supplier management and community engagement, with the aim of supporting sustainable social development and inclusive growth.

Intelligent Transportation with Leading Technology

Centering on our proprietary autonomous driving system, we focus on deployable technology to accelerate the creation of an intelligent, zero-carbon transportation system. We provide traditional logistics fleets with an efficient, flexible, and reliable path to drive the transition toward driverless, intelligent, and zero-carbon operations across logistics hubs, road freight and urban areas. We will also continue to leverage our core strengths in technological innovation and commercial leadership to increase efficiency, reduce cost, and enhance safety in the logistics industry. We aim to expand applications of our technology and collaborate with partners worldwide to build a safer, smarter, and more efficient transportation system.

Ensuring End-to-End Customer Value with Professional Support

We prioritize safety and customer needs, delivering high-quality products and services to build long-term trusted relationships. Guided by our Quality Management Manual, we operate a comprehensive quality control system spanning the entire process to ensure policies, objectives, and quality safety requirements are implemented across production and operations. We collaborate with third parties to validate safety and have been awarded the ISO 26262:2018 ASIL D Functional Safety Process Certificate by TÜV Rheinland Group, integrating the principles of this standard throughout the product lifecycle. We offer technical support, maintenance, and a dedicated customer feedback mechanism to continuously optimize products and services.

Building a Supportive Home for Employee Well-being and Growth

Talent is core to our success. We adhere to the principle of diversity in recruitment and employee management, fostering a workplace that values gender, ethnicity, and cultural background. We offer professional skills training, leadership development, and internal promotion mechanisms to support growth. In 2022, we launched “TRUNK University” as a central platform for training with an open knowledge base and learning resources accessible to all staff. We provide comprehensive benefits, including health insurance, paid leave, and fitness and mental wellness programs to support employee well-being and work-life balance.

Forging a Sustainable Supply Chain with Resilient Ecosystems

We have established a multi-department collaborative supplier management mechanism to build a resilient and sustainable supply chain. Under our supplier management procedure, suppliers are classified into Tier A (Strategic), Tier B (Important), and Tier C (Entry-level) based on category, material criticality, and customer requirements, enabling differentiated controls. Through our supplier introduction methods, we strengthen source control with multi-dimensional assessments covering qualification reviews, ESG compliance screening, capacity verification, and lifecycle management. This process is to ensure that newly introduced suppliers meet our quality, delivery, and environmental social responsibility standards. With respect to ESG risk control, we focus on suppliers’ performance in environmental protection, workplace safety, labor practices and business ethics. For instance, in relation to labor practices, we strictly prohibit suppliers from engaging in forced labor in any form, employing child labor and discriminatory practices through contractual provisions.

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To assess suppliers’ compliance with these requirements, we have established a dynamic risk management mechanism that regularly identify ESG risks, conduct targeted audits of key suppliers, and establish corresponding alert and exit mechanisms. In addition, we will support suppliers through training and performance-based incentives to drive alignment with our sustainability objectives and build a more resilient and responsible supply chain. We firmly believe that enhancing supplier ESG management is not only essential for meeting compliance requirements but also a critical foundation for reinforcing our long-term competitiveness.

Advancing Sustainable Community Responsibility through Technological Development

We contribute to society through social welfare initiatives, including donations and volunteer services to support underprivileged groups. We promote the use of technology for poverty alleviation by applying autonomous driving and intelligent transportation in rural and remote areas to enhance transportation efficiency, reduce energy costs, and create local employment opportunities.

Corporate Governance

We maintain an efficient and transparent corporate governance structure to ensure decision-making is open, equitable, and compliant. Our Board comprises experienced professionals responsible for establishing development strategies and conducting independent reviews of major decisions.

Risk Management and Compliance

We adhere to high-standard compliance management in global operations, ensuring business legality and strengthening risk management. We prioritizes business ethics, data security, and IP protection. It has established anti-corruption policies, conflict-of-interest management mechanisms, and provides regular compliance training. We place high importance on data security, especially for core technologies like autonomous driving, employing multiple safeguards. It actively files patent applications and strictly complies with global IP laws.

In the future, we will establish a compliance management system that covers the entire business chain and spans the full operational lifecycle, with a focus on the key risk areas outlined above. Through continued investment in talent development, dedicated funding, and technological resources, we will ensure that our corporate governance standards remain fully aligned with the latest regulatory requirements of the Hong Kong Stock Exchange and the practices of leading international companies. This strategic initiative will not only strengthen our compliance capabilities in a systematic manner but also lay a solid foundation for our high-quality sustainable development.

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ESG Indicators and Performance

We have established a series of key performance indicators to quantify ESG performance and guide continuous optimization. The following metrics summarize our environmental performance during the relevant year:

Energy Consumption

Indicator	Unit	2023	2024	2025
Direct energy consumption (Diesel) . .	liter	50,312.40	44,099.70	63,105.92
Indirect energy consumption (Purchased electricity)	kWh	182,077.00	127,640.00	144,037.00
Total energy consumption	Tonnes of standard coal	83.96	69.66	94.94
Energy intensity	Tonnes of standard coal/person	0.54	0.54	0.67
Energy intensity	Tonnes of standard coal/RMB10,000 revenue	0.006	0.003	0.003

Greenhouse Gas Emissions

Indicator	Unit	2023	2024	2025
Scope 1 GHG emissions	tCO ₂ e	158.24	138.70	198.48
Scope 2 GHG emissions	tCO ₂ e	123.38	86.49	97.60
Total GHG emissions	tCO ₂ e	281.62	225.19	296.08
GHG intensity (per person)	tCO ₂ e/person	1.81	1.75	2.11
GHG intensity (per RMB10,000 revenue)	tCO ₂ e/RMB10,000 revenue	0.02	0.01	0.01

Water Consumption

Indicator	Unit	2023	2024	2025
Total water consumption .	Tonnes	290.00	232.00	263.00

We will continue to optimize energy use, reduce emissions, and enhance operational efficiencies across our value chain while advancing social responsibility and maintaining robust governance standards.

PROPERTIES

We are headquartered in Beijing, the PRC. As of the Latest Practicable Date, we did not own any property in the PRC, and leased nine commercial properties in the PRC with an aggregate GFA of approximately 13,860.2 sq.m. from nine parties. These properties were used primarily as premises of office spaces, testing and R&D. Our lease agreements in respect of these leased properties generally have lease terms ranging from one to three years.

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As of the date of this document, we had not completed lease registration for five of the commercial properties we leased in the PRC. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered if required by competent authorities, including requiring relevant lessors to cooperate with us to complete the lease registration. Our PRC Legal Advisor has advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws. See “Risk Factors — Risks Relating to Our Operations in General — Legal defects regarding some of our leased properties may adversely affect our business, financial condition and results of operations”.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulties in renewing lease agreements or locating new premises for our facilities. We do not foresee any major challenges or impediments in renewing the relevant leases upon their expiration.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Operations in General — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.”

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations. As advised by our PRC Legal Advisor, our business operations were conducted in compliance with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Social insurance and housing provident funds

During the Track Record Period, (i) one of our subsidiaries engaged third-party agencies to make social insurance and housing provident fund contributions on behalf of certain employees from September 2021 to February 2024, in order to facilitate contribution payments in regions where the Company does not have subsidiaries or branches; and (ii) the Group did not make social insurance and/or housing provident fund contributions for two employees during the Track Record Period, in each case at the relevant employee’s voluntary request. For a description of the applicable legal requirements and penalties, see “Regulatory Overview — Laws and Regulations Relating to Labor Protection, Social Insurance and Housing Provident Fund.” In aggregate, the maximum potential exposure (including shortfall contributions of up to RMB2,400,000, together with late payment fees and fines) amounts to approximately RMB11,000,000 as of April 30, 2026. See “Risk Factors — We may be required to pay the outstanding contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities” for further details.

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The relevant subsidiary ceased all third-party agency payments since March 2024. The former employee resigned from the Group in October 2025, and the Group has fully paid social insurance and housing provident funds for the other employee since December 2025. As of the Latest Practicable Date, rectification has been completed. To prevent recurrence, the Group has (i) designated its human resources center to monitor contributions on a monthly basis; (ii) formulated internal policies to guide day-to-day contribution practices; (iii) engaged the PRC Legal Advisor for regular advice on regulatory developments; and (iv) established regular communication with relevant local authorities to keep abreast of their latest requirements.

The Directors believe that the above non-compliances would not have a material adverse effect on our business, financial condition and results of operations, considering that: (i) as of the Latest Practicable Date, the Group had not received any notification from the relevant authorities requiring payment of material shortfalls or penalties; (ii) the Group obtained written confirmations from relevant authorities confirming no administrative penalties during the Track Record Period; (iii) the Group was not aware of any material employee complaints or labor disputes in this regard; (iv) the Group will promptly make any required payments if ordered by the relevant authorities; and (v) the aggregate shortfall of contributions of up to RMB2,400,000 was not material during the Track Record Period. As advised by the PRC Legal Advisor, in the absence of employee complaints, the likelihood that the Group is subject to material administrative penalties in respect of the above matters is remote.

Lease registration

During the Track Record Period, the Group had not completed lease registration for five leased properties in the PRC, primarily because the lessors did not cooperate in completing the relevant procedures. The Group’s maximum potential fine is up to RMB50,000. For a description of the applicable legal requirements and penalties, see “Regulatory Overview — Laws and Regulations Relating to Leasing” and “Risk Factors — Legal defects regarding some of our leased properties may adversely affect our business, financial condition and results of operations.”

With the cooperation of the lessors, the Group expects to complete lease registration for the five properties by the end of 2026. The Group has enhanced its internal lease approval procedures and will assist lessors with registration and filing upon execution of future lease agreements.

The Directors believe that the above non-compliance would not have a material adverse effect on our business, financial condition and results of operations, considering that: (i) as of the Latest Practicable Date, the Group had not received any notification from the relevant authorities requiring completion of lease registration or imposing penalties; (ii) the Group obtained written confirmations from relevant authorities confirming no administrative penalties during the Track Record Period; and (iii) the maximum potential penalty of RMB50,000 was not material. As advised by the PRC Legal Advisor, the likelihood that the Group is subject to material administrative penalties due to the failure to complete lease registration is remote.

Based on the foregoing, our PRC Legal Advisor is of the view that the aforementioned non-compliances, individually or in aggregate, would not have a material adverse impact on our business, financial condition or results of operations, given that (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalties or rectification notices, nor were there any related disputes or potential disputes; (ii) we had proactively obtained written confirmations from the relevant regulatory authorities confirming the Group’s compliance status; and (iii) we had implemented internal control measures and completed or planned rectification actions to prevent recurrence.

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RISK MANAGEMENT AND INTERNAL CONTROL

We have established a set of risk management measures and internal control policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these policies. Furthermore, we continually review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. We have adopted and implemented comprehensive internal control management in various aspects of our business operations such as operational risk management, compliance risk management, information security and data privacy risk management and intellectual property risk management.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes or external events. We have established a series of internal procedures to manage such risk.

Financial Reporting Risk Management

We have adopted a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial team reviews our management accounts based on such procedures. We also provide regular training to our finance team members to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Compliance Risk and Intellectual Property Risk Management

Compliance risk refers to the risk of being subject to legal and regulatory sanctions, and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines. We have established sound compliance risk management procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations.

We have a dedicated team who examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements. There was no material and systemic non-compliance during the Track Record Period and up to the Latest Practicable Date. We have in place detailed internal procedures to ensure our solutions and services, including upgrades to existing solutions, for regulatory compliance before they are made available to the public. A dedicated team from our research department is also responsible for obtaining requisite governmental pre-approvals or consents, including preparing and submitting necessary documents to relevant government authorities within prescribed regulatory timelines, and ensuring timely applications, renewals or filings for patents, trademark, copyright and patent registrations with competent authorities.

We have also implemented a series of policies and internal control measures against in terms of anti-bribery and kick-back prevention, which set forth procedures for implementing relevant anti-bribery procedures and setting out anti-bribery responsibilities for relevant personnel. Specifically, our internal policies regulate the exchange of gifts and entertainment, ensuring that they are of reasonable value and serve legitimate business purposes without compromising fair decision-making. We also enforce third-party management by conducting appropriate due diligence and requiring compliance commitments from our suppliers and business partners. Furthermore, we maintain transparent financial records to strictly prohibit off-book funds, and have established a dedicated whistle-blowing channel to encourage the reporting of any suspected misconduct.

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Information System and Data Privacy Risk Management

Sufficient maintenance, storage and protection of our data and other related information are critical to our success. We have implemented relevant internal procedures and controls to ensure that our data is protected, and that leakage and loss of such data are avoided.

We have implemented comprehensive internal policies on protecting data privacy and security. We also engage external legal counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we have not become aware of any material information leakage or loss of our data. Our IT systems had not experienced any material third-party intrusions, viruses, hacker attacks, ransomware attacks and other cyberattacks, information or data theft or other similar threats during the Track Record Period and up to the Latest Practicable Date. See “— Data Privacy and Security” for more information about our information security and data privacy procedures and policies.

Audit Committee Experience and Qualification and Board Oversight

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing, and mitigating risks involved in our business operations. For the professional qualifications and experiences of the members of our audit committee, see “Directors and Senior Management — Board Committees”.

We have also established an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting issues identified to the audit committee. Our internal audit department report any internal control issues identified to our audit committee and Board of Directors on a timely basis and also discuss with our management about the corresponding measures to implement toward resolving such issues.

LICENSES, APPROVALS AND PERMITS

Our products, solutions and R&D processes have obtained a range of industry-recognized certifications and have undergone rigorous testing for safety and reliability. The table below sets out the principal standards, certifications and requirements with which we were in compliance as of the Latest Practicable Date:

Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements	Date of Expiry
ISO 9001:2015	An internationally accepted standard for quality management systems published by the ISO, encompassing the formulation of quality policies, objectives and processes such as quality planning, quality control, quality assurance and quality improvement.	We are ISO 9001:2015 certified and we operate in accordance with the quality system requirements and are committed to continual improvement.	December 27, 2027

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Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements	Date of Expiry
ISO 45001:2018	An internationally accepted standard for occupational health and safety management systems published by the ISO, which provides a framework for organizations to manage risks and improve performance by identifying, evaluating and controlling hazards in the workplace.	We are ISO 45001:2018 certified and we operate in accordance with the system requirements to occupational health and safety management.	March 16, 2027
ISO 14001:2015	An internationally accepted standard for environmental management systems, published by the ISO, which provides a framework for organizations to improve their environmental performance through more efficient use of resources and reduction of waste, thereby achieving sustainable development.	We are ISO 14001:2015 certified and we operate in accordance with the system requirements and strive for further enhancement.	March 16, 2027
ISO 26262-2:2018, ISO 26262-3:2018, ISO 26262-4:2018, ISO 26262-5:2018, ISO 26262-6:2018, ISO 26262-8:2018, ISO 26262-9:2018 . .	An internationally accepted standard for functional safety management in road vehicles published by the ISO, encompassing the safety lifecycle for electrical and electronic systems including verification and validation, and organizational safety management.	We are ISO 26262-2:2018, ISO 26262-3:2018, ISO 26262-4:2018, ISO 26262-5:2018, ISO 26262-6:2018, ISO 26262-8:2018 and ISO 26262-9:2018 certified, and we operate in accordance with the system requirements to manage functional safety.	February 11, 2029
Transport Management Permits	For general cargo road transportation	We maintain such permits for road transportation operations.	October 23, 2026
	For online freight transportation.		December 31, 2027
	For general cargo road transportation.		March 28, 2028
	For general and specific cargo transportation.		July 18, 2028
Autonomous Driving Testing Permits	For heavy semitrailer tractors' operation within the Beijing Intelligent Connected Vehicle Pilot Policy Zone.	We maintain such permits for the road testing of our autonomous trucks.	September 5, 2026; September 27, 2026

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Standards, certifications and requirements	Definition of the standards, certifications and requirements	Our compliance with the standards, certifications and requirements	Date of Expiry
Intelligent Connected Vehicle Road Testing Permit	A notice that we are permitted to conduct intelligent connected vehicle road tests.	We meet the relevant requirements under the Kashgar Municipal Measures for the Administration of Intelligent Connected Vehicle Road Tests and Pilot Demonstration (Trial) and is allowed to conduct tests for autonomous driving on approved open roads.	September 2, 2026
Self-statements for Intelligent Connected Vehicle Road Testing .	A safety self-statement that we carry out autonomous driving test on Rong Shang Liu Road, Hai Ma Road and Jing Jin Tang Highway (Beijing Section).	We made and continue to conform with such safety self-statements before and during our autonomous driving tests.	March 24, 2027
Notice of/self-statements for Intelligent Connected Vehicle Road Test	A notice and a safety self-statement that we are permitted to conduct intelligent connected vehicle road tests.	We are permitted to conduct intelligent connected vehicle road tests on Jing Jin Tang Highway (Hebei Section).	April 30, 2027

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all material licenses and permits necessarily required for our business operations in the PRC, and such licenses and permits had remained in full effect. Our PRC Legal Advisors have advised us that there was no material legal impediment to renewing our material licenses and permits as of the Latest Practicable Date.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award year	Awarding Institution/Authority
Beijing Pilot Enterprise for the Integrated Development of Advanced Manufacturing and Modern Services (北京市“兩業融合”試點企業)	2025	Beijing Municipal Development and Reform Commission
National 1st Place in the National AI Application Scenario Innovation Challenge (全國人工智慧應用場景創新挑戰賽全國一等獎)	2025	Chinese Association for Artificial Intelligence
Exemplary Case for Intelligent Transportation Application Scenario Innovation Practice (首屆智慧交通應用場景創新實踐精品案例)	2024	China Transportation News

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Award/Recognition	Award year	Awarding Institution/Authority
Exemplary Case by the Ministry of Transport: Cost Reduction, Quality and Efficiency Improvement in Transportation & Logistics (交通運輸部交通物流降本提質增效典型案例)	2024	Ministry of Transport
Commercial Vehicle Autonomous Driving Technology Innovation Award 2022 (2022年度商用車自動駕駛技術創新獎)	2022	Equipment Industry Development Center of the Ministry of Industry and Information Technology
Special Prize for the China Ports and Harbors Association Science and Technology Award (中國港口協會科學技術獎特等獎)	2022	China Ports and Harbors Association
First Prize for the 2022 China Society of Image and Graphics Science and Technology Progress Award (2022年中國圖象圖形學學會科學技術進步一等獎)	2022	China Society of Image and Graphics

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the [REDACTED], the Board will consist of seven Directors, including four executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. Our senior management is responsible for the day-to-day operations of the Company. All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Mr. ZHANG Tianlei (張天雷) . .	40	Founder, chairman of our Board, executive Director and chief executive officer	March 2017	February 2018	Responsible for the overall strategic planning, business direction and management of the Company	None
Mr. WANG Xiaodong (王曉東) . .	49	Executive Director and chief technology officer	January 2018	September 2020	Responsible for the research and development of the Company	None
Mr. WANG Chao (王超)	39	Executive Director and president of the Qianzhan research academy	November 2017	September 2020	Responsible for the prospective research of policies and technologies	None
Mr. AN Lifeng (安利峰) . .	48	Executive Director and chief product officer	June 2020	September 2020	Responsible for the overall solution and overall product design of the Company	None
Dr. HUANG Guoquan (黃國全) . .	63	Independent non-executive Director	November 2025	November 2025	Responsible for providing independent advice on the operations and management of our Company	None
Dr. HUANG Yijian (黃益建) . .	46	Independent non-executive Director	November 2025	November 2025	Responsible for providing independent advice on the operations and management of our Company	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Ms. MENG Qinghui (孟慶慧)	46	Independent non-executive Director	November 2025	November 2025	Responsible for providing independent advice on the operations and management of our Company	None

Executive Directors

Mr. ZHANG Tianlei (張天雷), aged 40, is our founder, executive Director and chief executive officer. Mr. Zhang Tianlei founded our Company in March 2017 and has since served as our chief executive officer. He was appointed as chairman and executive Director in February 2018. Mr. Zhang Tianlei is primarily responsible for the overall strategic planning, business direction and management of the Company.

Mr. Zhang Tianlei has extensive experience in autonomous driving, artificial intelligence, and technology leadership. Prior to founding our Company, Mr. Zhang Tianlei worked at various leading technology companies including Microsoft Corporation from 2012 to 2014, and Baidu Inc. from 2015 until he left to establish our Company. At Baidu Inc., he participated in various projects in development of autonomous driving platforms.

Mr. Zhang Tianlei obtained a bachelor’s degree in computer science and technology from Tsinghua University in PRC in July 2008. He obtained a Ph.D in computer science and technology from Tsinghua University in July 2015.

Mr. WANG Xiaodong (王曉東), aged 49, is our executive Director and chief technical officer, and is primarily responsible for research and management of the Company. Mr. Wang joined our Company in January 2018 and was primarily responsible for carrying out research and development. Mr. Wang served as the responsible officer of our research and development center since May 2020 and was further appointed as executive Director in September 2020 and as chief technical officer in November 2025. Prior to joining our Group, Mr. Wang was engaged in public service work between 1999 and 2017.

Mr. Wang obtained a master’s degree in computer science and technology from Tsinghua University in PRC in July 2006.

Mr. WANG Chao (王超), aged 39, is our executive Director and president of the Qianzhan research academy (前瞻研究院), and is primarily responsible for prospective research of policies and technologies. Mr. Wang joined our Company in November 2017 where he served as a research and development engineer until November 2020. Since December 2020, he has served as the president of the Qianzhan research academy (responsible officer) and was appointed as executive Director in September 2020. Prior to joining our Company, Mr. Wang worked at China North Industries Group Corporation Limited (NORINCO) 201st Research Institute (中國兵器工業集團第201研究所) from July 2015 to November 2017.

Mr. Wang obtained a bachelor of engineering degree in automation from Tsinghua University in PRC in July 2010. He obtained a Ph.D. in computer science and technology with a concentration in intelligent science and technology from Peking University in PRC in July 2015.

DIRECTORS AND SENIOR MANAGEMENT

Mr. AN Lifeng (安利峰), aged 48, is our executive Director and chief product officer and is primarily responsible for the overall solution and overall product design of our Company. Mr. An joined our Company in June 2020 and served as the deputy responsible officer of our research and development center until August 2022. Since August 2022, he served as the responsible officer of our product center and was further appointed as chief product officer in November 2025. He was also appointed executive Director in September 2020. Mr. An worked in the automotive electronics center in the Chinese Academy of Sciences, Institute of Microelectronics between December 2019 and June 2020. Prior to joining the Chinese Academy of Sciences, Mr. An was engaged in public service work for over 15 years.

Mr. An obtained a master’s degree in computer science from Zhejiang University (浙江大學) in PRC in September 2008.

Independent non-executive Directors

Dr. HUANG Guoquan (黃國全), alias George Q. Huang, aged 63, is our independent non-executive Director and is primarily responsible for providing independent advice on the operations and management of our Company. He was appointed as our independent non-executive Director in November 2025.

Dr. Huang has extensive academic and professional experience in advanced manufacturing and industrial engineering. From February 1991 to August 1993, he was a research assistant at Coventry University in the United Kingdom. From September 1993 to December 1996, he was a lecturer in engineering design in the school of engineering at University of Abertay Dundee in the United Kingdom.

Dr. Huang has served as a Chair Professor of Smart Manufacturing in the Department of Industrial and Systems Engineering and Director of Research Institute of Advanced Manufacturing at the Hong Kong Polytechnic University since December 2022. He is also an Honorary Professor at the University of Hong Kong, a position he has held since January 2023. Previously, he spent over two decades at the University of Hong Kong, from December 1996 to December 2022, consecutively serving as assistant professor, associate professor, full and chair professor and was the Head of the Department of Industrial and Manufacturing Systems Engineering for ten years until December 2022. He co-founded Comma Technology Ltd. (逗號科技有限公司) in 2014 and currently serves as the chief scientist, where he focuses on research, development and application of smart logistics technology.

Dr. Huang obtained a Bachelor of Engineering degree in mechanical engineering in July 1983 from Southeast University (formerly known as Nanjing Institute of Technology) in PRC and a Ph.D. in July 1991 from Cardiff University (formerly known as the University of Wales College of Cardiff) in the UK.

Dr. Huang holds numerous professional qualifications. He is Chartered Engineer (CEng) by the UK Engineering Council, Fellows of the Institution of Engineering and Technology (IET), the Hong Kong Institution of Engineers (HKIE), the American Society of Mechanical Engineers (ASME), the Chartered Institute of Logistics and Transport (CILT), the Institute of Industrial and Systems Engineers (IISE), and the Institute of Electrical and Electronics Engineers (IEEE).

Dr. HUANG Yijian (黃益建), aged 46, is our independent non-executive Director and is primarily responsible for providing independent advice on the operations and management of our Company. He was appointed as our independent non-executive Director in November 2025 and is the chairperson of the Audit Committee.

Dr. Huang has extensive experience in financial and corporate management. Dr. Huang has been an educator at the Central University of Finance and Economics (中央財經大學) in PRC since June 2008 and has been an associate professor since October 2014.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Huang currently serves as an independent non-executive director, including as member of the audit committee, for several listed companies including Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688036.SH), since October 2023, Shandong Weifang Rainbow Chemical Co., Ltd. (山東濰坊潤豐化工股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301035.SZ), since September 2025, and Holitech Technology Co., Ltd. (恒天海龍股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000677.SZ), since September 2025.

Previously, he served as an independent non-executive director at Beijing Roborock Technology Co., Ltd. (北京石頭世紀科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688169.SH), from February 2019 to January 2025, SEC Electric Machinery Co., Ltd. (中電電機股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603988.SH), from January 2019 to February 2025, and Giantec Semiconductor Corporation (聚辰半導體股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688123.SH), from September 2018 to September 2023.

Through his tenure as the chairperson or member of the audit committees of the aforementioned listed companies, Dr. Huang has accumulated extensive practical experience in reviewing and analyzing audited financial statements of public companies. His responsibilities included, amongst others (i) reviewing and monitoring the integrity of financial statements, annual reports, and accounts, and scrutinizing significant financial reporting judgments contained in them; (ii) overseeing the financial reporting system and risk management and internal control systems; (iii) reviewing and assessing the effectiveness of the internal audit function; (iv) participated in discussions with respect to the accounting policies and practices adopted by the listed companies; and (v) making recommendations to the board on the appointment and removal of external auditors and approving the remuneration and terms of engagement of the external auditors. The Directors considers that Dr. Huang's academic background in financial management combined with his substantial experience in supervising the financial reporting and internal controls of multiple public companies listed on the Shanghai and Shenzhen Stock Exchanges affords him the appropriate related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Dr. Huang obtained a Ph.D. in financial management from Southwestern University of Finance and Economics (西南財經大學) in PRC in July 2008.

Dr. Huang was obtained the Certificate for the Senior Executive (Independent Director) Training Program issued by the Shenzhen Stock Exchange in February 2017.

Ms. MENG Qinghui (孟慶慧), aged 46, is our independent non-executive Director and is primarily responsible for providing independent advice on the operations and management of our Company. She was appointed as our independent non-executive Director in November 2025.

Ms. Meng has extensive experience in capital markets and corporate law. Since June 2016, she has served as a partner at Grandall Law Firm (Beijing) (國浩律師(北京)事務所), where she is responsible for legal affairs related to initial public offerings, major asset restructurings of listed companies, refinancing, bond issuance, and equity incentives.

Prior to that, Ms. Meng worked in the investment banking sector. From January 2008 to September 2010, she was the quality control manager at the investment banking division of Shenyin Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司) (currently known as Shenwan Hongyuan Securities Co., Ltd. (申萬宏源集團股份有限公司)). From September 2010 to January 2013, she served as a director of the investment banking division at China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司). From February 2013 to June 2016, she was the business manager of the investment banking division at Citi Orient Securities Co., Ltd. (東方花旗證券有限責任公司) (currently known as Orient Securities Investment Banking Co., Ltd. (東方證券承銷保薦有限公司)), where she was responsible for projects such as initial public offerings, refinancing of listed companies and major asset restructuring.

Ms. Meng obtained a bachelor of laws degree from Harbin Engineering University (哈爾濱工程大學) in the PRC in July 2005 and an executive master of business administration (EMBA) from Peking University (北京大學) in the PRC in January 2021. Ms. Meng obtained the Legal Professional Qualification in the PRC from the Beijing Municipal Bureau of Justice (北京市司法局) in July 2007.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as a Senior Management Officer	Responsibility	Relationship with other Directors and senior management
Mr. ZHANG Tianlei (張天雷)	40	Founder, chairman of our Board, executive Director and chief executive officer	March 2017	March 2017	Responsible for the overall strategic planning, business direction and management of the Company	None
Mr. WANG Xiaodong (王曉東)	49	Executive Director, and chief technology officer	January 2018	January 2018	Responsible for the research and development of the Company	None
Mr. WANG Chao (王超)	39	Executive Director and president of the Qianzhan research academy	November 2017	November 2017	Responsible for the prospective research of policies and technologies	None
Mr. AN Lifeng (安利峰)	48	Executive Director and chief product officer	June 2020	June 2020	Responsible for the overall solution and overall product design of the Company	None
Mr. LIU Chao (劉超)	37	Chief Financial Officer	May 2025	November 2025	Responsible for financial and capital operations	None
Mr. BI Hongkui (畢洪魁)	37	Secretary to the Board and Joint Company Secretary	April 2025	November 2025	Responsible for corporate governance and the operation and management of the Board	None

Mr. ZHANG Tianlei (張天雷), see “Board of Directors — Executive Directors” for details.

Mr. WANG Xiaodong (王曉東), see “Board of Directors — Executive Directors” for details.

Mr. WANG Chao (王超), see “Board of Directors — Executive Directors” for details.

Mr. AN Lifeng (安利峰), see “Board of Directors — Executive Directors” for details.

Mr. LIU Chao (劉超), aged 37, is our chief financial officer. Mr. Liu joined our Company in May 2025 and is responsible for the Group’s finance, capital markets, and corporate governance affairs. Mr. Liu was appointed as chief financial officer in November 2025. The Company appointed Mr. Liu in anticipation of the [REDACTED], taking into consideration his ability to navigate the [REDACTED] process and his extensive experience in investment banking and corporate finance, which complements his thorough knowledge of the Company’s financial systems acquired since joining the Group.

Prior to joining our Company, Mr. Liu accumulated extensive experience in investment banking and corporate finance. From July 2012 to August 2016, he served as a vice president in the investment banking department at China Securities Co., Ltd. (中信建投證券股份有限公司), a company listed on the Stock Exchange (stock code: 6066.HK). From September 2016 to December 2019, he was a senior vice president in the investment banking department at China Renaissance Securities Co., Ltd. (華興證券有限公司), and worked at China Renaissance Securities (Hong Kong) Limited (華興證券(香港)有限公司) from 2020 to 2021. From June 2021 to August 2023, Mr. Liu

DIRECTORS AND SENIOR MANAGEMENT

served as the vice president and chief financial officer at IKER Intelligent Interconnection Technology (Shenzhen) Co., Ltd. (艾氦互聯智能科技(深圳)有限公司). From August 2023 to May 2025, he served as the chief financial officer at Zhongjian Zhengyan Group (中建政研集團有限公司).

Mr. Liu obtained a bachelor of laws degree in July 2010 and a master of laws degree in criminal law in June 2012 from the China University of Political Science and Law (中國政法大學) in the PRC. Mr. Liu obtained the legal professional Qualification in the PRC in August 2010 and has been a non-practicing member of the Chinese Institute of Certified Public Accountants since April 2014.

Mr. BI Hongkui (畢洪魁), aged 37, is the secretary to the Board. Mr. Bi joined our Company in April 2025 and is responsible for the Group’s capital markets, corporate governance, information disclosure, investor relations, and financing affairs.

Prior to joining our Company, Mr. Bi accumulated extensive experience in corporate governance and capital markets. From September 2014 to August 2017, Mr. Bi successively served as the securities affairs representative, legal director and board secretary at Dongsys Innovation (Beijing) Technology Development Co., Ltd. (東電創新(北京)科技發展股份有限公司), a company listed on the National Equities Exchange and Quotations under stock code 430362. From February 2018 to August 2019, he was the secretary of the board at Laviana Pharma (Jiangsu) Co., Ltd. (樂威醫藥(江蘇)股份有限公司), a company previously listed on the National Equities Exchange and Quotations under stock code 838853, where he was responsible for investment, financing, and information disclosure. From August 2019 to June 2023, he served as an assistant manager at BII Railway Transportation Technology Holdings Company Limited (京投軌道交通科技控股有限公司) (“**BII Railway Technology**”), a company listed on the Stock Exchange (stock code: 1522.HK). During this period, from May 2022 to June 2023, he served as the deputy manager and finance responsible officer at Litmus Technologies (Beijing) Co., Ltd. (北京樂碼仕智能科技有限公司), a subsidiary of BII Railway Technology. From June 2023 to April 2025, he served as the securities operations professional vice president (資本營運專業副總經理) at China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600340.SH), where he was responsible for securities affairs and capital market development.

Mr. Bi obtained a bachelor’s degree in law from Nankai University (南開大學) in the PRC in June 2011 and a master’s degree in international law from the China University of Political Science and Law (中國政法大學) in the PRC in June 2014.

Mr. Bi obtained the legal professional qualification in the PRC in August 2011. He was subsequently awarded the board secretary qualification certificate by the Shanghai Stock Exchange in January 2016 and the Shenzhen Stock Exchange in April 2016. He also holds the fund practice qualification awarded by the Asset Management Association of China in September 2018.

JOINT COMPANY SECRETARIES

Mr. BI Hongkui (畢洪魁) has been appointed as our joint company secretary since November 2025. For his biographical details, see “— Senior Management” in this section.

Ms. PAU So Yi has been appointed as our joint company secretary since November 2025 with effect from the [REDACTED]. She is a manager of company secretarial services of Tricor Services Limited, a member of Vistra Group. Ms. Pau has over nine years of experience in the corporate service field. She has been providing professional corporate services to Hong Kong listed companies, private and offshore companies.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Pau obtained a bachelor’s degree of Commerce (Hons) in accounting from Hong Kong Shue Yan University in Hong Kong in July 2015. Ms. Pau is a Chartered Secretary, a Chartered Governance Professional, an Associate of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom (英國特許公司治理公會).

BOARD COMMITTEES

The Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Dr. Huang Yijian, Dr. Huang Guoquan and Ms. Meng Qinghui, with Dr. Huang Yijian currently serving as the chairman. Dr. Huang Yijian has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Dr. Huang Guoquan, Dr. Huang Yijian and Mr. Zhang Tianlei, with Dr. Huang Guoquan currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Zhang Tianlei, Ms. Meng Qinghui and Dr. Huang Guoquan, with Mr. Zhang Tianlei currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the “Board Diversity Policy”) in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

DIRECTORS AND SENIOR MANAGEMENT

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting, technology and law. The Board of Directors is of the view that our Board of Directors satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide range of age, ranging from 38 years old to 63 years old. One of our Directors is female. Our Board of Directors will also ensure that appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Group is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Zhang Tianlei currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and chief executive officer in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders’ meetings and the Board of Directors as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders’ meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, allowances, pension funds, share awards and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

DIRECTORS AND SENIOR MANAGEMENT

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the Directors for the three years ended December 31, 2023, 2024 and 2025, were RMB5.2 million, RMB5.2 million and RMB4.7 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the five highest paid individuals, excluding Directors and chief executive, for the three years ended December 31, 2023, 2024 and 2025, were RMB0.93 million, RMB0.93 million and RMB2.8 million, respectively.

It is estimated that remuneration equivalent to approximately RMB4.6 million in aggregate will be paid to the Directors by the Company for the year ending December 31, 2026, based on the arrangements in force as of the date of the document.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISER

The Company appointed Altus Capital Limited as the compliance adviser pursuant to Rules 3A.19 of the Listing Rules, and the compliance adviser will advise the Company in the following circumstances: (i) before the publication of any regulatory announcement, circular or financial report; (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (iii) where the Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and (iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or [REDACTED] volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of the compliance adviser will commence on the [REDACTED] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see “Business — Research and Development — R&D Team” in this document.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on November 17, 2025; and (2) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhang Tianlei directly holds approximately 28.25% Shares of the Company. In addition, Mr. Zhang Tianlei is the general partner of Tianjin Zhuxian and Tianjin Zhugan, which held 4.94% and 15.93% of the Shares of our Company, respectively. Accordingly, as of the Latest Practicable Date, Mr. Zhang Tianlei is entitled to exercise the voting rights of approximately 49.12% of the Shares in our Company through Shares held by him directly, as well as Tianjin Zhuxian and Tianjin Zhugan.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhang Tianlei will be entitled to exercise [REDACTED] of the voting rights of our Company, comprising: (i) [REDACTED] of our voting rights through Shares directly held by him, and (ii) [REDACTED] of our voting rights through Shares held by Tianjin Zhuxian and Tianjin Zhugan. Therefore, Mr. Zhang Tianlei, Tianjin Zhuxian and Tianjin Zhugan will remain as a group of Controlling Shareholders of our Company upon completion of the [REDACTED].

NO COMPETITION AND CLEAR BUSINESS DELINEATION

Our Controlling Shareholders confirm that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates upon [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of seven Directors, comprising four executive Directors and three independent non-executive Directors. Mr. Zhang Tianlei, one of our Controlling Shareholders, is the chairman of the Board and an executive Director.

Our Directors consider that our Board and senior management team are able to manage our business independently from the group of Controlling Shareholders for the following reasons:

- (a) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed “Directors and Senior Management” in this document;
- (b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review; and
- (d) we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and our group of Controlling Shareholders, which would support our independent management. For details, please see “— Corporate Governance” in this section.

Operational Independence

Our Group does not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

Our Group independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial system and make financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function. We do not expect to rely on our Controlling Shareholders and their respective close associates for financing after [REDACTED] as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the [REDACTED] from the [REDACTED]. As such, our Company’s financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, there is no financial assistance provided by our group of Controlling Shareholders to our Group and vice versa.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and their respective close associates upon [REDACTED].

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. We will adopt the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our group of Controlling Shareholders:

- (a) where a Shareholders' meeting is held for considering proposed transactions in which our group of Controlling Shareholders have a material interest, our group of Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our group of Controlling Shareholders, our group of Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;
- (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;
- (e) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules; and
- (f) we have appointed Altus Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and corporate governance.

Based on the above, our Directors are satisfied that the corporate governance measures are sufficient to manage conflicts of interest that may arise between our Group and our group of Controlling Shareholders, and to protect our minority Shareholders' interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares, and assuming the [REDACTED] is not exercised, the following persons are expected to have an interest in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Class and Number of Shares	Approximate percentage of interest in our Company	Class and Number of Shares Held ⁽¹⁾	Approximate percentage of shareholding in the total/issued share capital of our Company ⁽²⁾
Mr. Zhang Tianlei ⁽³⁾	Beneficial interest	43,479,000 Unlisted Shares	28.25%	[REDACTED]	[REDACTED]
	Interest in controlled corporation	32,123,500 Unlisted Shares	20.87%	[REDACTED]	[REDACTED]
Tianjin Zhuxian ⁽³⁾	Beneficial Interest	7,602,500 Unlisted Shares	4.94%	[REDACTED]	[REDACTED]
Tianjin Zhugan ⁽³⁾	Beneficial Interest	24,521,000 Unlisted Shares	15.93%	[REDACTED]	[REDACTED]
Zhuhai Yinshan Modern Logistics Industry Equity Investment Fund (Limited Partnership) (珠海隱山現代物流產業股權投資基金(有限合伙)) (“Zhuhai Yinshan”) ⁽⁴⁾	Beneficial interest	21,262,500 Unlisted Shares	13.81%	[REDACTED]	[REDACTED]
Zhuhai Puyou Investment Consulting Co., Ltd. (珠海普郵投資諮詢有限公司) (“Zhuhai Puyou”) ⁽⁴⁾	Interest in controlled corporation	21,262,500 Unlisted Shares	13.81%	[REDACTED]	[REDACTED]
GLP (Zhuhai) Equity Investment Management Co., Ltd. (普洛斯(珠海)股權投資管理有限公司) (“GLP (Zhuhai)”) ⁽⁴⁾	Interest in controlled corporation	21,262,500 Unlisted Shares	13.81%	[REDACTED]	[REDACTED]
Zhuhai Puyin Logistics Industry Equity Investment Partnership (Limited Partnership) (珠海普隱物流產業股權投資合夥企業(有限合伙)) (“Zhuhai Puyin”) ⁽⁴⁾	Interest in controlled corporation	21,262,500 Unlisted Shares	13.81%	[REDACTED]	[REDACTED]
Anhui Kexun Entrepreneurship Information Technology Partnership Enterprise (Limited Partnership) (安徽科訊創業投資基金合夥企業(有限合伙)) (“Anhui Kexun”) ⁽⁵⁾	Beneficial interest	15,850,000 Unlisted Shares	10.30%	[REDACTED]	[REDACTED]
Hefei Kexun Ruijin Enterprise Management Partnership (Limited Partnership) (合肥科訊睿進企業管理合夥企業(有限合伙)) (“Hefei Kexun”) ⁽⁵⁾	Interest in controlled corporation	15,850,000 Unlisted Shares	10.30%	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Class and Number of Shares	Approximate percentage of interest in our Company	Class and Number of Shares Held ⁽¹⁾	Approximate percentage of shareholding in the total/issued share capital of our Company ⁽²⁾
Anhui Xunfei Venture Capital Partnership (Limited Partnership) (安徽訊飛創業投資合夥企業(有限合夥)) (“Anhui Xunfei”) ⁽⁵⁾	Interest in controlled corporation	15,850,000 Unlisted Shares	10.30%	[REDACTED]	[REDACTED]
Hefei Kexun Dingli Enterprise Management Co., Ltd. (合肥科訊頂立企業管理有限公司) (“Hefei Dingli”) ⁽⁵⁾	Interest in controlled corporation	15,850,000 Unlisted Shares	10.30%	[REDACTED]	[REDACTED]
Anhui Development Investment Co., Ltd (安徽省開發投資有限公司) (“Anhui Development”) ⁽⁵⁾	Interest in controlled corporation	15,850,000 Unlisted Shares	10.30%	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long position.
- (2) The calculation is based on the total number of [REDACTED] Unlisted Shares in issue, [REDACTED] to be [REDACTED] from Unlisted Shares in issue and [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (3) Tianjin Zhugan is a limited partnership established in the PRC managed by their general partner, Mr. Zhang Tianlei. In addition, Mr. Zhang Tianlei is the general partner of Tianjin Zhuxian, which holds 7,002,500 Shares of the Company. Therefore, Mr. Zhang Tianlei is deemed to be interested in the Shares held by Tianjin Zhuxian and Tianjin Zhugan. Additionally, Ms. Mo Hongnan, the spouse of Mr. Zhang Tianlei is deemed to be interested in the Shares Mr. Zhang Tianlei is interested in for the purpose of the SFO.
- (4) Zhuhai Yinshan is a limited partnership established in the PRC. It is managed by its general partners, Zhuhai Puyou and GLP Zhuhai, and is held as to 34.19% by its limited partner, Zhuhai Puyin. Therefore, Zhuhai Puyou, GLP Zhuhai and Zhuhai Puyin are deemed to be interested in the Shares held by Zhuhai Yinshan.
- (5) Anhui Kexun is a limited partnership established in the PRC. It is managed by its general partner, Hefei Kexun. Hefei Kexun is managed by its general partner, Anhui Xunfei, which is managed by its general partner Hefei Dingli. Anhui Kexun is held as to 49.83% by its limited partner, Anhui Development. Therefore, Hefei Kexun, Anhui Xunfei, Hefei Dingli and Anhui Development are deemed to be interested in the Shares held by Anhui Kexun.

Save as disclosed herein, the Directors are not aware of any other person who will, immediately following the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares (and the [REDACTED] of any additional H Shares pursuant to the [REDACTED]), have an interest or short position in Shares or underlying Shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

SHARE CAPITAL

OUR SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB15,392,180 comprising 153,921,800 ordinary Shares with a nominal value of RMB0.10 each.

Upon the Completion of the [REDACTED]

Immediately after the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares (as defined below), assuming that the [REDACTED] is not exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
H Shares [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

Immediately after the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares (as defined below), assuming that the [REDACTED] is fully exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
H Shares [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

UNLISTED SHARES AND H SHARES

Upon the completion of the [REDACTED] and [REDACTED] of Unlisted Shares into H Shares (as defined below), the Shares will consist of only [REDACTED]. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as our certain existing shareholders the Unlisted Shares held by whom will be [REDACTED] into H Shares according to the filling information of the CSRC), H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural PRC persons.

SHARE CAPITAL

Unlisted Shares and H Shares shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

[REDACTED] OF OUR UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be [REDACTED], [REDACTED] and [REDACTED] as H Shares on the Hong Kong Stock Exchange, such [REDACTED], [REDACTED] and [REDACTED] will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies shall file with the CSRC for the [REDACTED] of Unlisted Shares into H shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange. An unlisted domestic joint stock company may file for “full circulation” when applying for an overseas [REDACTED].

We have filed with the CSRC an application for the [REDACTED] of [REDACTED] Unlisted Shares into H Shares on a [REDACTED] (“[REDACTED] of Unlisted Shares into H Shares”) upon the completion of the [REDACTED] (“Full Circulation Filing of the Company”) on [●], 2025, and CSRC issued the filing notice in respect of the [REDACTED] dated [●], 2026.

The [REDACTED] of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares held by all existing Shareholders (the “Full Circulation Participating Shareholders”), representing approximately [REDACTED] of total issued Shares of the Company upon completion of the [REDACTED] of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] are not exercised).

[REDACTED] Approval by the Hong Kong Stock Exchange

We have applied to the [REDACTED] of the Hong Kong Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), and the H Shares to be [REDACTED] from [REDACTED] Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the [REDACTED] of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our [REDACTED] regarding relevant share certificates of the [REDACTED] H Shares; and (2) enabling the [REDACTED] H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the [REDACTED] and [REDACTED]:

- (i) We will appoint China Securities Depository and Clearing Corporation Limited (“CSDC”) as the nominal holder to deposit the relevant securities at CSDCHK, which will then deposit the securities at [REDACTED] in its own name. CSDC, as the nominal

SHARE CAPITAL

holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the [REDACTED] H Shares for the Full Circulation Participating Shareholders;

- (ii) According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full circulation” at the Hong Kong Securities Company; and
- (iii) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDCHK, CSDCHK and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the [REDACTED], the shareholding of the relevant Full Circulation Participating Shareholders in our Unlisted Shares shall be reduced by the number of the Unlisted Shares [REDACTED] and the number of H Shares shall be increased by the number of [REDACTED] H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

For details of the lock-up undertaking given by the group of Controlling Shareholder pursuant to Rules 10.07 and 18C.13 of the Listing Rules, see “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — [REDACTED] to the Stock Exchange pursuant to the Listing Rules — Undertakings by our Controlling Shareholders.”

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix III — Summary of Articles of Association” in this document.

SHARE CAPITAL

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders’ general meeting held on December 3, 2025.

SHARE INCENTIVE SCHEMES

We adopted the Share Incentive Scheme. See “Appendix IV — Statutory and General Information — D. [REDACTED] Share Incentive Scheme” for further details.

GENERAL MANDATES TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted general unconditional mandates to issue our Shares. See “Appendix IV — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of our Shareholders” for further details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants’ Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”).

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed “Risk Factors” and “Business” and elsewhere in this document. For further details, see “Forward-Looking Statements.”

OVERVIEW

We generate revenue from autonomous driving solutions deployed across Trunk Port, Trunk Pilot and Trunk City scenarios. These solutions use AiTrucker, our autonomous driving system, across different deployment scenarios. Our financial performance during the Track Record Period was primarily affected by our ability to commercialize these solutions, changes in product mix and the scale of project deployment. Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025, representing a CAGR of 60.3%. Our gross profit increased from RMB16.4 million in 2023 to RMB93.3 million in 2025.

BASIS OF PREPARATION

Our historical financial information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA. In addition, the Historical Financial Information include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. For details, see Note 1.2 to the Accountants’ Report included in Appendix I to this document.

KEY FACTORS AFFECTING OUR PERFORMANCE

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

Our Ability to Commercialize Our Solutions and Expand Our Product Portfolio

Our business growth and financial performance depend on our ability to commercialize our autonomous driving solutions and services and continuously expand our product portfolio. We initially focused on closed-road scenarios and later expanded into road freight and urban transportation scenarios. Centering on our “vehicle-edge-cloud” product platform, we have developed a systematic solution suite addressing three core scenarios. During the Track Record Period, we accelerated mass production through partnerships with OEMs, launching over 20 pre-installed autonomous truck models. Accordingly, our revenue increased from RMB134.1 million in 2023 to RMB254.1 million in 2024, and further increased to RMB344.5 million in 2025. We expect that scaling up our operations may enhance our economies of scale. Growth of our business scale will also strengthen our bargaining power with customers, improving margins through cost reduction.

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Our Investment in Development of New Technologies and Products

We operate in a technology-intensive industry characterized by rapid technological advancements. Our financial performance depends heavily on our ability to maintain our competitive position, which in turn depends on our ability to make continual investments in research and development of new technologies and products. In addition to significant financial investments, we have allocated substantial resources towards building a skilled R&D team, acquiring hardware and software infrastructure, and fostering collaborations with research institutions and industry partners. These investments support our research and development activities. During the Track Record Period, our total research and development expenses amounted to RMB354.8 million. To stay competitive, we need to consistently recognize and adapt to rapidly changing customer needs, introduce innovative products and solutions, upgrade existing features, and stimulate active market demand for our products and solutions. In addition, our R&D capabilities have relied upon, and will continue to rely upon, our ability to retain and attract talents that help strengthen our technology advantages. As of December 31, 2025, our R&D team comprised 85 employees, accounting for 60.7% of the total number of our employees as of the same date. We expect our investment in research and development to increase as we scale our business, and we will continue to provide competitive compensation and benefits packages to attract talent.

Changes of Our Product Mix

Our key solutions are architected upon a unified “vehicle-edge-cloud” product platform, comprising various combinations of our core product offerings: AiTruck (autonomous trucks), AiBox (intelligent edge devices), and AiCloud (intelligent cloud platform and related intelligent cloud services), together with associated operational services. Given the nature of our solution architecture, our revenue and gross profit margins vary significantly based on the specific product configuration and components included in each customer deployment. Solutions with a higher proportion of hardware components, particularly those incorporating autonomous trucks, typically command substantially greater contract values due to the capital-intensive nature of these products. However, such hardware-centric solutions generate comparatively lower gross margins due to associated procurement and supply chain costs. Solutions emphasizing software and cloud services, while generally representing smaller individual contract values, have higher profit margins due to their scalable nature and less production costs. See “Descriptions of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin”.

Our commercialization strategy is designed to establish long-term customer relationships through initial sales of autonomous trucks, which serve as an entry point for ongoing engagement. Following these initial truck deployments, we generate recurring revenue streams from hardware and software upgrades, operations and maintenance, and system enhancements, which typically carry higher margins than the initial truck sales. As a result of this strategy, our profit margins may experience significant fluctuations during the early stages of commercialization as we prioritize market penetration and customer acquisition. We expect our margin profile may improve over time as our business achieves greater scale and the proportion of higher-margin recurring revenue increases relative to initial truck deployments.

Accordingly, our financial performance reflects both the diverse mix of product combinations delivered across our customer base and our strategic emphasis on building a sustainable recurring revenue foundation, with revenue scale and margin outcomes evolving as our commercialization strategy matures.

Our Ability to Deepen Relationships with Strategic Partners and Expand Customer Base

Our growth depends on our ability to expand our customer base and long-term relationships with commercial vehicle OEMs, logistics service providers, and port operators. We typically acquire customers through a direct sales model. By offering integrated solutions that combine hardware, software, and cloud-based services, we are able to deliver greater value and foster

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recurring business. The successful implementation of the national-level demonstration projects that we participated in has not only set industry benchmarks and effectively reduced subsequent customer acquisition costs but has also accelerated the expansion of our business coverage into key economic regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and Southwest China. We also continue to deepen collaborations with OEMs to adapt our autonomous vehicle models for diverse logistics needs.

Our future sustained growth relies on our ability to unlock value from existing clients, including by cross-selling a more diverse range of solutions, and replicating successful pilot project experiences into mass production orders from new customers. Furthermore, we are actively leveraging our expertise accumulated domestically to accelerate our international expansion.

Cost Management and Economies of Scale

Our ability to manage costs effectively as we scale our business is critical to achieving profitability. Cost of raw materials accounts for a significant portion of our cost of sales. With the continued business expansion we may benefit from economies of scale. Increased volume of procurement may improve our negotiating position with suppliers, allowing us to negotiate more favorable pricing terms and reducing the unit cost of key hardware components. Going forward, the ability to continuously optimize our cost structure while maintaining high delivery and service quality will be a critical factor determining our financial performance.

Seasonal Fluctuations and Project Delivery Cycles

Our operating results and financial positions are exposed to seasonal fluctuations. Our major customers (such as port operators, logistics parks and large logistics enterprises) generally follow annual budget approval processes and tend to conduct final acceptance and settlement of projects in the second half of the year, particularly in the fourth quarter. As a result, our revenue recognition typically shows a pattern of being higher in the second half of the year and lower in the first half. This may also cause us to have a relatively high inventory level around mid-year until our projects are fulfilled, as evidenced by our delivery and final acceptance by customers. In addition, our solutions may involve customized development, large-scale on-site hardware deployment, integrated software-hardware testing and commissioning, and extended safety testing and trial operations in real-world operating environments. A typical project delivery cycle may span multiple quarters or even longer. The timing of revenue recognition can vary significantly across different reporting periods upon final acceptance by the client. This may result in fluctuations in our reported revenue from one period to another and fluctuations in our accounts receivables at multiple cutoff dates, as payment terms and client acceptance schedules may differ between projects.

Furthermore, our operating results and financial conditions may fluctuate materially depending on the specific projects we fulfill during the relevant reporting periods due to our project-based engagement and “build-to-order” business model. Unlike standardized hardware sales, some of the solutions we offer customers are customized and involve the integration of our product portfolio to meet our customers’ business needs. As such, the pricing of our solutions vary significantly from one project to another, even involving similar scenarios, and this may cause our revenue and profitability to fluctuate significantly from one period to another.

General Factors

Our business and operating performance are also influenced by general factors affecting the autonomous driving commercial vehicle industry, including:

- market demand for autonomous commercial vehicles;
- the evolution of autonomous driving technology and its market acceptance;

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- the competitive landscape; and
- relevant laws, regulations, government policies, and initiatives.

MATERIAL ACCOUNTING POLICY INFORMATION

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

For details, see Note 3 to the Accountants’ Report included in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentage)</i>						
Revenue	134,112	100.0	254,093	100.0	344,513	100.0
Cost of sales	(117,716)	(87.8)	(196,480)	(77.3)	(251,194)	(72.9)
Gross profit	16,396	12.2	57,613	22.7	93,319	27.1
Other income	7,179	5.4	3,403	1.3	7,080	2.1
Other gains and losses . . .	13,475	10.0	39	0.0	938	0.3
Selling and distribution expenses	(19,718)	(14.7)	(19,610)	(7.7)	(20,550)	(6.0)
Administrative expenses . .	(40,538)	(30.2)	(30,223)	(11.9)	(38,243)	(11.1)
Research and development expenses	(119,407)	(89.0)	(115,162)	(45.3)	(120,253)	(34.9)
Finance costs	(69,210)	(51.6)	(81,418)	(32.0)	(79,824)	(23.2)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	(803)	(0.6)	(1,822)	(0.7)	(1,651)	(0.5)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	(212,626)	(158.5)	(187,180)	(73.7)	(170,936)	(49.6)
Income tax expense	—	—	—	—	—	—
Loss and total comprehensive expenses for the year . .	(212,626)	(158.5)	(187,180)	(73.7)	(170,936)	(49.6)

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	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentage)</i>						
Loss and total comprehensive expenses for the year attributable to:						
Owners of the company . . .	(212,626)	(158.5)	(187,180)	(73.7)	(170,936)	(49.6)
	<u>(212,626)</u>	<u>(158.5)</u>	<u>(187,180)</u>	<u>(73.7)</u>	<u>(170,936)</u>	<u>(49.6)</u>

Non-HKFRS Measure

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

We define adjusted net loss (non-HKFRS measure) as loss for the years/periods adjusted by adding back share-based payment expenses, interest expense on redemption liabilities and [REDACTED], and deducting gain on non-substantive modification of redemption liabilities. Share-based payments relate to the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Interest expenses on redemption liabilities related to preferential rights of the [REDACTED] Investors accounted for a significant portion of our finance costs. [REDACTED] primarily consist of professional fees associated with the [REDACTED] and the [REDACTED]. Gains on non-substantive modification of redemption liabilities result from a re-measurement of the fair value of a redemption liability to reflect the modification of the redemption rights between our Company and the [REDACTED] Investors in 2023.

We believe that these items should be adjusted for when calculating our adjusted net loss (non-HKFRS measure) in order to provide potential [REDACTED] with a complete and fair understanding of our operating results, especially in making period to period comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

The following table reconciles our adjusted net loss (non-HKFRS measure) for the years presented in accordance with HKFRS:

	Year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Net loss for the year	(212,626)	(187,180)	(170,936)
Add:			
– Share-based payment expenses	11,094	4,728	50

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	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
– Interest expense on redemption liabilities ⁽¹⁾	66,485	77,839	75,866
– [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Less:			
– Gain on non-substantive modification of redemption liabilities	14,095	–	–
Adjusted net loss			
(Non-HKFRS Measure) for the Year .	(149,142)	(104,613)	(83,268)

Note:

- (1) The redemption liabilities will be automatically converted to equity upon [REDACTED].

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived substantially all of our revenue from our three main business segments, namely Trunk Port, Trunk Pilot and Trunk City, which in aggregate accounted for 100.0%, 99.9% and 99.5% of our revenue for the corresponding periods.

Our revenue increased from RMB134.1 million in 2023 to RMB344.5 million in 2025 representing a CAGR of 60.3%. The increase in our revenue during the Track Record Period was primarily driven by the increasing market demand for our solutions and expansion of our customer base resulting from the successful commercialization of our autonomous driving technologies and products as well as continuous improvements to those offerings. During the Track Record Period, substantially all of our revenue was generated from the Chinese Mainland. The table below sets forth our revenue breakdown by business segments in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Trunk Port	39,980	29.8	181,894	71.6	127,539	37.0
Sales of autonomous driving solutions	39,980	29.8	180,437	71.0	121,365	35.2
Provision of autonomous driving services	–	–	1,457	0.6	6,174	1.8
Trunk Pilot	67,329	50.2	42,074	16.6	215,240	62.5
Sales of autonomous driving solutions	40,170	30.0	14,431	5.7	190,465	55.3
Provision of autonomous driving services	27,159	20.3	27,643	10.9	24,775	7.2
Trunk City	26,803	20.0	29,803	11.7	–⁽¹⁾	–
Sales of autonomous driving solutions	26,803	20.0	29,803	11.7	–	–
Others⁽²⁾	–	–	322	0.1	1,734	0.5

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Total	134,112	100.0	254,093	100.0	344,513	100.0

Note:

- (1) We did not record any revenue from Trunk City in 2025 as none of our ongoing Trunk City projects had been completed and delivered in 2025, due to the complexity and long delivery schedule of those projects. See “Business — Our Solutions and Services — Trunk City”.
- (2) Others primarily included our revenue from leasing AiTruck to customers.

Our key solutions are architected upon a unified “vehicle-edge-cloud” product platform and comprise various combinations of our core product offerings: AiTruck (autonomous trucks), AiBox (intelligent edge devices), and AiCloud (intelligent cloud platform and related intelligent cloud services), together with associated operational services. Set forth below are our total revenue from sales of autonomous driving solutions with a detailed breakdown by core product, and our total revenue from provision of services, each in absolute amount and as a percentage of our total revenue for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousand, except percentage)</i>					
Sales of autonomous driving solutions	106,953	79.7	224,671	88.4	311,830	90.5
AiTruck	59,930	44.7	119,238	46.9	205,650	59.7
AiBox	18,095	13.5	29,106	11.5	4,113	1.2
AiCloud	—	—	46,140	18.2	72,453	21.0
Solution Package ⁽¹⁾	28,928	21.6	30,187	11.9	29,614	8.6
Provision of autonomous driving services	27,159	20.3	29,100	11.5	30,949	9.0
Others⁽²⁾	—	—	322	0.1	1,734	0.5
Total	134,112	100.0	254,093	100.0	344,513	100.0

Notes:

- (1) “Solution Package” included revenue from sales of autonomous driving solutions sold as integrated packages without separate component pricing, primarily due to the complexity of deliverables involving multiple hardware and software products that made precise revenue and cost allocation impractical.
- (2) “Others” primarily included our revenue from leasing AiTruck to customers.

The revenue presented in this table primarily comprises revenue from our Trunk Port and Trunk Pilot business, which can be classified by level of driving automation, with reference to the Chinese national standard. Such classification is determined based on the automation technology of the products delivered by us. During the Track Record Period, our Trunk City business was primarily project-based and mainly involved the delivery of integrated smart transportation and vehicle-road-cloud solutions, rather than vehicles. Accordingly, revenue generated from our Trunk City business during the Track Record Period is not directly classified by L2 to L4 automation levels.

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Trunk Port						
L4	37,584	100.0	137,720	100.0	94,749	100.0
Subtotal	37,584	100.0	137,720	100.0	94,749	100.0
Trunk Pilot						
L2	39,720	98.9	7,912	98.5	112,948	75.7
L4	443	1.1	124	1.5	36,239	24.3
Subtotal	40,163	100.0	8,036	100.0	149,187	100.0
Total	77,747	/	145,756	/	243,936	/

Trunk Port

We offer turnkey driverless transportation solutions tailored for logistics hubs. The target market covers seaports, river ports, inland ports, border crossings, as well as production and commercial service hubs. Revenue from our Trunk Port business is primarily generated from sales of our autonomous driving solutions that integrate our AiTruck, AiBox and AiCloud products and services, and is primarily affected by the project-based nature of this business and the timing of large-scale deployments.

Trunk Pilot

We offer autonomous trucking solutions designed for road freight, targeting core sectors including express delivery, LTL freight, bulk cargo, refrigerated freight and short-haul drayage. Similar to our Trunk Port business, revenue from our Trunk Pilot business is primarily generated from sales of our autonomous driving solutions that integrate our AiTruck, AiBox and AiCloud products and services, and is mainly affected by its project-based nature and the timing of large-scale deployments. To accelerate technological iteration and closed-loop business model verification, we also operate our own fleet to provide autonomous trucking capacity services. This business not only generates stable revenue, but also serves to verify technical feasibility, demonstrate commercial value, and accumulate operational experience. We initially relied on a self-owned fleet. Since 2024, we have strategically transitioned toward an asset-light model, collaborating with more ecosystem partners to better address clients’ demand.

Trunk City

We provide intelligent solutions designed for urban transportation. We adopt a project-based model to develop our Trunk City business, and accordingly, revenue from this business segment may fluctuate depending on the project delivery schedule. We delivered our first Trunk City solution in 2023 and our second Trunk City solution in the second half of 2024. While our Trunk City business remains at an early stage of commercialization, we believe that it will help us explore and identify market demand by leveraging our integrated “vehicle-edge-cloud” systems to advance urban logistics and intelligent transportation. As we continue to actively pursue new market opportunities and develop comprehensive solutions for customers, we anticipate that the demand for Trunk City solutions will increase.

Cost of Sales

During the Track Record Period, our cost of sales consisted of raw materials, service fees, vehicle expenses and others. The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our total cost of sales for the years indicated:

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Raw materials	86,888	73.8	140,163	71.3	209,598	83.4
Vehicle	34,735	40.0	100,022	71.4	151,628	72.3
LiDAR	32,987	38.0	17,301	12.3	24,358	11.6
Controller	9,075	10.4	14,473	10.3	21,164	10.1
Others ⁽¹⁾	10,091	11.6	8,366	6.0	12,448	5.9
Service fees	13,403	11.4	51,570	26.2	31,127	12.4
Vehicle expenses	12,959	11.0	496	0.3	3,524	1.4
Others ⁽²⁾	4,466	3.8	4,251	2.2	6,945	2.8
Total	117,716	100.0	196,480	100.0	251,194	100.0

Notes:

- (1) “Others” represents the aggregate costs of camera, wire harnesses and structural materials, and sensors.
- (2) “Others” primarily included depreciation and amortization, labour costs, office expenses, travel expenses and transport fees.

Cost of raw materials primarily included costs of trucks for the manufacture of AiTruck, LiDAR, controllers, cameras, wire harnesses, etc. It constituted the largest component of our cost of sales during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, cost of raw materials was equal to 64.8%, 55.2% and 60.8% of our revenue for the respective periods.

Service fees primarily included the fees we paid for third-party supporting services related to deployment of our Trunk City solutions and the expenses we incurred to collaborate with third-party carriers to provide autonomous driving services. See “Business — Our Solutions and Services — Three-Tier Solutions — Trunk Pilot”.

Vehicle expenses primarily covered gas, ETC fees and other related expenses.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by our solution for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit/(loss)	Gross profit/(loss) margin (%)
	<i>(RMB in thousands, except for percentage)</i>					
Trunk Port	12,661	31.7	47,102	25.9	27,078	21.2
Sales of autonomous driving solutions	12,661	31.7	46,137	25.6	25,969	21.4
Provision of autonomous driving services	—	—	965	66.2	1,109	18.0
Trunk Pilot	2,431	3.6	6,831	16.2	65,928	30.6
Sales of autonomous driving solutions	3,634	9.0	6,676	46.3	65,045	34.2
Provision of autonomous driving services	(1,203)	(4.4)	155	0.6	883	3.6
Trunk City	1,304	4.9	3,924	13.2	—	—
Sales of autonomous driving solutions	1,304	4.9	3,924	13.2	—	—

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	Year ended December 31,					
	2023		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit/(loss)	Gross profit/(loss) margin (%)	Gross profit/(loss)	Gross profit/(loss) margin (%)
<i>(RMB in thousands, except for percentage)</i>						
Others	—	—	(244)	(75.8)	313	18.1
Total	16,396	12.2	57,613	22.7	93,319	27.1

Our gross profit increased at a CAGR of 138.6% from 2023 to 2025, primarily attributable to the increase in the sales of solutions of higher contract value and growing market demand for our products and solutions, which in turn benefited from our successful commercialization and ongoing optimization of our technologies and products. The gross profit margin of our product solutions fluctuated during the Track Record Period. This was primarily attributable to changes in the mix of the products included in our solutions, economies of scale influencing our overall cost of sales, and impact of project delivery cycles.

Our core products, namely AiTruck, AiBox and AiCloud, carry different gross profit margins. Solutions with a higher proportion of hardware components, particularly those incorporating autonomous trucks, typically command lower gross margins due to associated procurement and supply chain costs. Conversely, solutions emphasizing software and cloud services, while generally representing smaller individual contract values, provide enhanced profitability profiles due to their scalable nature and less production costs. Set forth below is a detailed breakdown of the gross profit and the gross profit margin of sales of our core products for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
<i>(RMB in thousands, except for percentage)</i>						
Sales of autonomous driving solutions⁽¹⁾						
AiTruck ⁽²⁾	6,394	10.7	3,583	3.0	15,276	7.4
AiBox ⁽³⁾	8,620	47.6	16,718	57.4	1,874	45.6
AiCloud	—	—	33,423	72.4	60,031	82.9

Notes:

- (1) Revenue from sales of autonomous driving solutions sold as single integrated packages without separate component pricing was not included in the calculation of the average gross profit margin due to the complexity of deliverables causing precise allocation of revenue and cost impractical.
- (2) The relatively low average gross profit margin on AiTruck product sales in 2024 primarily resulted from our strategic decision to offer competitive pricing for a single port project to strengthen key customer relationships and capture future revenue opportunities from hardware and software upgrades. In general, AiTrucks carry lower gross profit margins primarily because of (i) the significant hardware procurement costs associated with each truck, including vehicle chassis sourced from third-party OEM manufacturers and other major hardware components such as LiDAR and controllers, which together constitute the majority of the cost of goods sold for AiTruck deliveries; and (ii) the relatively early stage of our AiTruck production volume, which has not yet reached the scale necessary to realize meaningful cost efficiencies in procurement, assembly, and logistics.
- (3) The relatively high average gross profit margin on AiBox product sales in 2024 was primarily driven by high-value contract deployments that included L4-level hardware upgrades.

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Consequently, the combination of products and services selected for each customer and the respective revenue contribution significantly affect the overall gross profit margin. For instance, the revenue generated from AiCloud as a percentage of our total product sales revenue increased from nil in 2023 to 18.2% in 2024, and further to 21.0% in 2025. The increase in the proportion of revenue from our high-margin product was a primary driver for the continuous improvement in our overall gross profit margin during the Track Record Period.

Economies of scale are another factor that may affect our gross profit margin. Effective cost management is critical to achieving profitability. Higher procurement volume enhances our bargaining power with suppliers, enabling better pricing terms and lowering unit costs for hardware components. Increased delivery of standardized solutions allows us to spread fixed production and R&D expenses over more units, further improving margins.

Additionally, our overall gross margin is sensitive to the financial results of individual projects when fewer projects are completed during certain periods. During the Track Record Period, there were times when we completed fewer projects compared to similar periods, which led to considerable fluctuations in our profitability. Our gross profit is also exposed to the impact of the timing of project delivery cycles because of the project-based engagement and “build-to-order” business model of our business. See “— Key Factors Affecting Our Performance — Seasonal Fluctuations and Project Delivery Cycles.”

Other Income

The following table sets forth a breakdown of other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Government grants	3,678	51.2	1,038	30.5	3,669	51.8
Interest income from bank balances	2,457	34.3	1,994	58.6	2,031	28.7
Others ⁽¹⁾	1,044	14.5	371	10.9	1,380	19.5
Total	7,179	100.0	3,403	100.0	7,080	100.0

Note:

(1) “Others” primarily consisted of income from one-off sale of spare parts and components.

Government grants primarily related to government approved research and development initiatives, which were required to be used for purchase of research equipment and fulfillment of contracted technological deliverables. The government subsidies we received during the Track Record Period were granted on a one-off basis and were not recurring.

Other Gains and Losses

The following table sets forth a breakdown of our other gains and losses for the years indicated. For an analysis of the significant fluctuations, see “— Period-to-Period Comparison of Results of Operations.”

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	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Impairment losses recognised on investments in a joint venture	–	(28)	–
Gain from withdrawal of financial assets at FVTPL	51	137	267
Loss/gain from termination of right-of-use assets	(267)	–	216
Loss on disposal of property, plant and equipment	–	(153)	(117)
Gain on non-substantive modification of redemption liabilities	14,095	–	–
Others	(404)	83	572
Total	13,475	39	938

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses consisted of salaries and wages of our sales staff, business entertainment, travel and office expenses, service fees, share-based payment expenses and others. For the years ended December 31, 2023, 2024 and 2025, our selling and distribution expenses were equal to 14.7%, 7.7% and 6.0% of our revenue for the corresponding periods. The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total selling and distribution expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Salaries and wages	13,292	67.4	10,764	54.9	10,222	49.7
Business entertainment, travel and office expenses	4,137	21.0	5,764	29.4	5,657	27.5
Service fees	1,487	7.5	1,731	8.8	2,357	11.5
Share-based payment expenses	551	2.8	230	1.2	–	–
Others ⁽¹⁾	251	1.3	1,121	5.7	2,314	11.3
Total	19,718	100.0	19,610	100.0	20,550	100.0

Note:

(1) “Others” primarily included depreciation and amortisation, insurance, maintenance and other miscellaneous expenses.

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of salaries and wages of our executives and administrative staff, business entertainment, travel and office premises expenses, service fees, share-based payment expenses and others. For the years ended December 31,

FINANCIAL INFORMATION

2023, 2024 and 2025, our administrative expenses were equal to 30.2%, 11.9%, and 11.1% of our revenue for the corresponding periods. The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Salaries and wages.	21,939	54.1	15,764	52.2	17,018	44.5
Business entertainment, travel and office premises expenses	3,819	9.4	4,326	14.2	7,809	20.4
Service fees.	2,915	7.2	3,692	12.2	12,437	32.5
Share-based payment expenses	6,889	17.0	2,556	8.5	—	—
Others ⁽¹⁾	4,976	12.3	3,885	12.9	979	2.6
Total	40,538	100.0	30,223	100.0	38,243	100.0

Note:

(1) “Others” primarily included depreciation and amortization and other miscellaneous expenses.

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of salaries and wages of our R&D staff, service fees, material expenses, depreciation and amortization expenses, share-based payment expenses and others. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses were equal to 89.0%, 45.3% and 34.9% of our revenue for the corresponding periods. The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Salaries and wages	73,678	61.6	37,884	32.9	41,165	34.2
Service fees	24,483	20.5	63,123	54.8	69,977	58.2
Material expenses	3,953	3.3	755	0.7	2,058	1.7
Depreciation and amortization expenses . . .	7,471	6.3	7,858	6.8	5,504	4.6
Share-based payment expenses	3,654	3.1	1,941	1.7	49	—
Others ⁽¹⁾	6,168	5.2	3,601	3.1	1,500	1.2
Total	119,407	100.0	115,162	100.0	120,253	100.0

Note:

(1) “Others” included travel expenses, vehicle expenses and other miscellaneous expenses.

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Finance Costs

During the Track Record Period, our finance costs included interest expense on redemption liabilities, interests on lease liabilities and interests on borrowings. For the years ended December 31, 2023, 2024 and 2025, our finance costs was equal to 51.6%, 32.0% and 23.2% of our revenue for the corresponding periods.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands)						
Interests expense on redemption liabilities ⁽¹⁾	66,485	96.1	77,839	95.6	75,866	95.0
Interests on lease liabilities	248	0.4	116	0.1	492	0.6
Interests on borrowings	2,477	3.6	3,463	4.3	3,466	4.3
Total	69,210	100.0	81,418	100.0	79,824	100.0

Note:

- (1) Interest expense on redemption liabilities related to the preferential rights of the [REDACTED] Investors accounted for a significant portion of our finance costs.

Impairment losses (including reversals of impairment losses or impairment gains) on financial assets

During the Track Record Period, our impairment losses included impairment losses on trade and notes receivables based on the ECL model or reversal of impairment losses. We recorded impairment loss of RMB0.8 million, RMB1.8 million and RMB1.7 million, for the years ended December 31, 2023, 2024 and 2025, respectively. Our credit policies generally remained unchanged during this period.

Income Tax Expense

We did not record any income tax expense during the Track Record Period. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. See Note 10 to the Accountants’ Report included in Appendix I to this document.

Our principal applicable taxes and tax rates are as follows.

Chinese Mainland

Pursuant to the EIT Law and implementation regulation of the EIT Law, the statutory tax rate applicable was 25% during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, we and our subsidiary, Shanghai Trunk were recognized as “high and new technology enterprise” (“HNTTE”) and were entitled to a preferential tax rate of 15%. For the years ended December 31, 2023, Tianjin Trunk Technology Co., Ltd was qualified as an HNTTE and was entitled to a preferential tax rate of 15%.

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PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 35.6% from RMB254.1 million in 2024 to RMB344.5 million in 2025, primarily due to the increase in our revenue from Trunk Pilot solutions which in turn resulted from increased customer demand and completion of certain high-value projects.

Trunk Port

Our revenue from Trunk Port business decreased from RMB181.9 million in 2024 to RMB127.5 million in 2025. This decline in revenue from our Trunk Port business was primarily because certain port customers had completed substantial procurements of our AiTruck and AiBox in 2024 and remained in continuous operation, and therefore did not place additional orders with us in 2025. Concurrently, this decline was driven by our strategic decision to expand our Trunk Pilot business, which provides an opportunity to tap into greater market demand while offering the potential for higher-margin revenue. See “Business — Our Major Projects”.

Trunk Pilot

Our revenue from Trunk Pilot business increased from RMB42.1 million in 2024 to RMB215.2 million in 2025. This increase was attributable to our expansion into more projects and new customers in the Trunk Pilot segment in 2025, reflecting the transition from demonstration projects in 2024 to commercial-scale deployments of integrated hardware-software autonomous driving solutions. Specifically, we completed deliveries of various combinations of AiTruck, AiBox and AiCloud products to a diverse range of customers, including a leading steel manufacturer, a subsidiary of a state-owned energy group, a local state-invested logistics operator in Northwest China and a leading regional logistics enterprise. Revenue from the above projects amounted to approximately RMB117.8 million in aggregate, representing approximately 54.7% of our revenue generated from Trunk Pilot. See “Business — Our Major Projects”.

We believe the increasing market demand could be attributable to several key factors. Our ongoing refinement of the Trunk CAFC “1+N” platooning technology, which utilizes “vehicle-edge-cloud” integration, enables multi-vehicle collaboration that surpasses the efficiency limits of single vehicles and increases road throughput density. Furthermore, recent modifications to local traffic regulations concerning autonomous driving and intelligent connected vehicles have fostered a supportive environment for the development and expansion of autonomous driving technologies. At the same time, logistics service providers in road freight are increasingly incentivized to upgrade their fleets to improve operational efficiency, further driving demand for these advanced solutions.

Trunk City

Our revenue from Trunk City business was nil in 2025 compared to RMB29.8 million in 2024. We did not record any revenue from Trunk City in 2025 as none of our ongoing Trunk City projects had been completed and delivered in 2025, due to the late timing of project awards near year-end, and the complexity and long delivery schedule of those projects. Although we secured a contract in Jiangsu Province valued at approximately RMB14.1 million in 2025, the project had not yet reached the required acceptance milestone for revenue recognition by year-end. The absence of Trunk City revenue in 2025 was attributable to the timing of project execution and the acceptance-based revenue recognition model, rather than a lack of commercial demand or customer engagement.

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Cost of sales

Our cost of sales increased by 27.8% from RMB196.5 million in 2024 to RMB251.2 million the year ended December 31, 2025, which was generally in line with our revenue growth.

Cost of raw materials increased from RMB140.2 million in 2024 to RMB209.6 million in 2025. This increase was primarily attributable to our increased procurement of raw materials for the production of AiTruck and AiBox products used in our Trunk Pilot solutions.

Service fees decreased by 39.6% from RMB51.6 million in 2024 to RMB31.1 million in 2025, primarily due to the decrease in the deployment fees incurred for the delivery of our Trunk City solution.

Vehicle expenses increased from RMB0.5 million in 2024 to RMB3.5 million in 2025, and others increased from RMB4.3 million in 2024 to RMB6.9 million in 2025. These increases were in line with the business development of our Group.

Gross profit and Gross profit margin

As a result of the foregoing, our gross profit substantially increased from RMB57.6 million in 2024 to RMB93.3 million in 2025. Our gross profit margin increased from 22.7% in 2024 to 27.1% in 2025.

Trunk Port

Gross profit from Trunk Port business decreased from RMB47.1 million in 2024 to RMB27.1 million in 2025 primarily due to the decrease in the revenue from Trunk Port. Gross profit margin decreased from 25.9% in 2024 to 21.2% in 2025 because the solutions delivered in 2025 comprised a larger proportion of AiTrucks. See “— Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin” While AiTrucks have lower margins than our software-centric offerings, initial sales of autonomous trucks have served as an entry point for ongoing engagement for hardware and software upgrades, operation and maintenance services, and system enhancements, which typically carry higher margins than the initial truck sales.

Trunk Pilot

Gross profit from Trunk Pilot business increased from RMB6.8 million in 2024 to RMB65.9 million in 2025, which was largely attributable to the high-value projects of our major customers completed in 2025. Gross profit margin increased from 16.2% in 2024 to 30.6% in 2025, primarily attributed to the continued commercialization of our Trunk Pilot business, as evidenced by the transition from relatively low-margin demonstration projects in 2024 to the provision of integrated hardware-software autonomous driving solutions in 2025. Additionally, we observed a growth in revenue from our high-margin AiCloud products, which were standardized and deployed across a diverse customer base. This approach has effectively reduced our reliance on individual projects, thereby fostering a replicable and scalable business model applicable to various scenarios. See “Business — Our Major Projects”.

Trunk City

We had nil gross profit from Trunk City business in 2025 compared to a gross profit of RMB3.9 million in 2024 because none of our ongoing Trunk City projects had been completed and delivered in 2025.

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Other income

Our other income increased by 108.8% from RMB3.4 million in 2024 to RMB7.1 million in 2025 primarily due to a one-off, unconditional government grant awarded to us as a National “Specialized and New” Key Little Giant Enterprise in 2025.

Other gains and losses

Our other gains increased from RMB39 thousand in 2024 to RMB938 thousand in 2025, primarily due to an increase in our gains from withdrawal of financial assets at FVTPL from RMB137 thousand in 2024 to RMB267 thousand in 2025 and recovery of receivables for which we had made full provisions.

Selling and distribution expenses

Our selling and distribution expenses increased by 5.1% from RMB19.6 million in 2024 to RMB20.6 million in 2025, primarily due to the increase in our service fees and other expenses as a result of our business expansion and increased demand for market development activities.

Administrative expenses

Our administrative expenses increased by 26.5% from RMB30.2 million in 2024 to RMB38.2 million in 2025, primarily due to the professional service fees incurred for the [REDACTED] Investment and the [REDACTED] and the increase in the travel and entertainment expenses and the increase in staff costs resulting from salary adjustments and performance-based bonuses.

Research and development expenses

Our research and development expenses increased by 4.4% from RMB115.2 million in 2024 to RMB120.3 million in 2025. This increase was primarily due to the increase in salaries and wages from RMB37.9 million in 2024 to RMB41.2 million in 2025, resulting from the recruitment of engineers to support the research and development of our core technologies and algorithm and was also caused by the increase in the service fees as a result of our continuous investments in R&D activities, which was partially offset by the decrease in the depreciation and amortization expenses.

Finance costs

Our finance costs decreased by 2.0% from RMB81.4 million in 2024 to RMB79.8 million in 2025, primarily attributable to the decrease in interest expense on redemption liabilities.

Impairment losses (including reversals of impairment losses or impairment gains) on financial assets

Our impairment losses under ECL model decreased from RMB1.8 million in 2024 to RMB1.7 million in 2025 as a result of the collection of overdue receivables.

Loss for the period

As a result of the foregoing, our losses decreased by 8.7% from RMB187.2 million in 2024 to RMB170.9 million in 2025.

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Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 89.5% from RMB134.1 million in 2023 to RMB254.1 million in 2024, primarily attributable to the increase in the sales of Trunk Port solutions benefited from our ongoing refinement of autonomous driving technologies and autonomous trucks. The increase from Trunk Port was partially offset by the decrease in the revenue from Trunk Pilot.

Trunk Port

Our revenue from Trunk Port business increased by 355.0% from RMB40.0 million in 2023 to RMB181.9 million in 2024, primarily attributable to the completion and delivery of certain high contract value projects. Revenue from such projects in 2024 amounted to approximately RMB166.6 million, representing approximately 91.5% of the segment revenue, comprising deliveries of 137 AiTrucks, 18 sets of AiBox, AiBox upgrade solutions for existing autonomous truck fleets converting to fully driverless L4 operations, and standardized AiCloud products deployed to smart logistics park operators. See “Business — Our Major Projects”.

Trunk Pilot

Our revenue from Trunk Pilot business decreased by 37.5% from RMB67.3 million in 2023 to RMB42.1 million in 2024. The decrease was primarily attributed to the fact that the fiscal year 2023 encompassed the delivery of several high-value projects. In contrast, the Trunk Pilot business in 2024 was predominantly characterized by demonstration projects as the segment progressed towards commercial-scale deployments. Revenue in 2024 included a limited but growing contribution from our standardized AiCloud product, which laid the foundation for the significant expansion of the Trunk Pilot business in 2025.

Trunk City

Our revenue from our Trunk City business increased by 11.2% from RMB26.8 million in 2023 to RMB29.8 million in 2024 primarily attributable to our fulfillment of our second Trunk City project in 2024.

Cost of sales

Our cost of sales increased by 66.9% from RMB117.7 million in 2023 to RMB196.5 million in 2024 due to increased procurement for the manufacture of AiTrucks, which was in line with our revenue growth.

Cost of raw materials increased by 61.3% from RMB86.9 million in 2023 to RMB140.2 million in 2024. This increase was primarily due to our increased cost for manufacturing our autonomous vehicles.

Service fees increased by 284.8% from RMB13.4 million in 2023 to RMB51.6 million in 2024, which was mainly caused by the increase in the deployment fees incurred for the delivery of our Trunk City solution in 2024. The increase in 2024 was also partially attributable to the complete transition from utilizing our self-owned trucks to collaborating with third-party carriers equipped with our intelligent driving products for autonomous trucking capacity services.

Vehicle expenses was RMB13.0 million in 2023 compared to RMB0.5 million in 2024. The decline in vehicle expenses in 2024 mainly was attributable to the complete transition from utilizing our self-owned trucks to collaborating with third-party carriers for autonomous trucking capacity services, reducing vehicle-related expenses.

Other cost of sales remained stable, which amounted to RMB4.5 million and RMB4.3 million for the years ended December 31, 2023 and 2024, respectively.

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Gross profit and Gross profit margin

As a result of the foregoing, our gross profit increased by 251.4% from RMB16.4 million in 2023 to RMB57.6 million in 2024. Our gross profit margin increased from 12.2% in 2023 to 22.7% in 2024 primarily due to a higher proportion of high-margin products in the solutions deployed, namely AiCloud and AiBox products.

Trunk Port

Gross profit from Trunk Port business increased from RMB12.7 million in 2023 to RMB47.1 million in 2024, while gross profit margin decreased from 31.7% in 2023 to 25.9% in 2024. These fluctuations were primarily due to a substantial increase in AiTruck sales driven by large-scale procurement from a major port customer, necessitating a competitive pricing strategy to strengthen customer relationships and facilitate future monetization through upgrades and maintenance services. While the increased revenue contribution from AiTruck exerted pressure on gross profit margin, this was partially offset by strong sales growth of higher-margin AiBox and AiCloud products. Despite the decline in blended gross profit margin due to the altered product mix, absolute gross profit experienced significant growth, aligning with our strategy of utilizing AiTruck as a customer acquisition channel before deploying higher-margin solutions.

Trunk Pilot

Gross profit from Trunk Pilot business increased from RMB2.4 million in 2023 to RMB6.8 million in 2024. Gross profit margin of Trunk Pilot increased from 3.6% the year ended December 31, 2023 to 16.2% in 2024. The increase in the gross profit of Trunk Pilot was mainly attributable to increased sales of AiCloud products in 2024. The increase in the gross profit margin of Trunk Pilot primarily due to sales of solutions comprising a higher proportion of AiCloud products, including sales to existing customers with previous autonomous vehicle transactions as a result of software upgrades.

Trunk City

Our gross profit margin for Trunk City business increased from 4.9% in 2023 to 13.2% in 2024, which was primarily due to the increased portion of high-margin cloud solution in a project for which revenue was recognized this year.

Other income

Our other income decreased by 52.6% from RMB7.2 million in 2023 to RMB3.4 million in 2024 because the government grants we received in 2023 were not recurring in 2024. In 2023, the amount of government grants we received was RMB3.7 million compared to RMB1.0 million for 2024.

Other gains and losses

Our other gains decreased from RMB13.5 million in 2023 to RMB39 thousand in 2024. The gains in 2023 was primarily attributable to the recognition of a gain of RMB14.1 million resulting from a re-measurement of the fair value of redemption liabilities to reflect the non-substantial modification of the redemption rights between our Company and the [REDACTED] Investors in October 2023.

Selling and distribution expenses

Our selling and distribution expenses remained stable, amounting to RMB19.7 million and RMB19.6 million for the years ended December 31, 2023 and 2024, respectively.

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Administrative expenses

Our administrative expenses decreased by 25.4% from RMB40.5 million in 2023 to RMB30.2 million in 2024, primarily due to a decrease in costs of our administrative staff and employee benefits expenses as a result of our cost control measures and improved operating efficiency.

Research and development expenses

Our research and development expenses decreased from RMB119.4 million in 2023 to RMB115.2 million in 2024, primarily due to a decrease in our R&D staff salary expenses and employee benefits expenses which was partially offset by an increase in our service fees payable for our outsourced R&D services.

Finance costs

Our finance costs increased by 17.6% from RMB69.2 million in 2023 to RMB81.4 million in 2024, primarily due to an increase in interests expense on redemption liabilities.

Impairment losses under ECL, net of reversal

We recorded impairment losses increased from RMB0.8 million in 2023 to RMB1.8 million in 2024. This increase was primarily attributable to an increase in our trade and notes receivables resulting from our sales growth in 2024.

Loss for the period

As a result of the foregoing, our losses for the year decreased from RMB212.6 million in 2023 to RMB187.2 million in 2024.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	25,051	17,026	16,621
Intangible assets	2,461	2,163	1,864
Right-of-use assets	4,166	2,186	22,501
Contract assets	623	2,316	129
Other non-current assets	—	—	—
Total non-current assets	32,301	23,691	41,115
Non-current liabilities			
Lease liabilities	1,813	—	13,147
Deferred income	551	3,309	4,608
Redemption liabilities	893,380	1,021,219	1,376,280
Total non-current liabilities	895,744	1,024,528	1,394,035
Net non-current liabilities	863,443	1,000,837	1,352,920

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Property, plant and equipment

Our property, plant and equipment primarily consisted of machinery, furniture and office equipment and vehicles. Our property, plant and equipment decreased from RMB25.1 million as of December 31, 2023 to RMB17.0 million as of December 31, 2024, and further decreased to RMB16.6 million as of December 31, 2025. The general decrease was primarily the result of regular depreciation. For more details, see Note 16 of the Accountants’ Report in Appendix I of this document.

Our business incorporates advanced technologies, and we strive to operate within an asset-light framework. During our initial phase and the early days of commercial expansion, we made significant investments in vehicles, and equipment. These investments were crucial to establishing and supporting our research and development functions, which are at the core of our innovative capabilities. As is standard practice, the value of these tangible assets has declined over time due to regular depreciation, and we recognize this reduction in asset value in accordance with our adopted accounting policies.

As our business successfully transitions into commercialization, we need to take a more strategic stance when deciding on new investments in property, plant, and equipment. This shift ensures that our capital is allocated efficiently, with a clear focus on maximizing the technological competitiveness of our products and solutions. By carefully evaluating each investment, we aim to maintain our agility and financial flexibility, allowing us to respond quickly to market opportunities and technological advancements. This disciplined approach not only preserves our asset-light model but also enables us to continually enhance the value we deliver to our customers through high-tech solutions, while optimizing the use of our financial resources for long-term growth.

Intangible assets

Our intangible assets primarily consisted of software. Our intangible assets decreased from RMB2.5 million as of December 31, 2023 to RMB2.2 million as of December 31, 2024 and further decreased to RMB1.9 million as of December 31, 2025. The decrease of our intangible assets during Track Record Period was the result of regular amortization of software acquired in prior years.

Right-of-use assets

Our right-of-use assets primarily consisted of leased properties and leased vehicles. Our right-of-use assets decreased from RMB4.2 million as of December 31, 2023 to RMB2.2 million as of December 31, 2024 primarily due to regular depreciation. Our right-of-use assets significantly increased from RMB2.2 million as of December 31, 2024 to RMB22.5 million as of December 31, 2025. This increase was primarily due to the entry into new leases for a plant and vehicles for business expansion.

Contract assets — non-current portion

Our contract assets primarily consisted of warranty retention receivables, which represent our right to receive payment for work that were completed within the warranty period. Our non-current contract assets increased from RMB0.6 million as of December 31, 2023 to RMB2.3 million as of December 31, 2024 primarily attributable to an increase in our projects fulfilled, resulting in an increase in the amounts retained by customers as warranty for our products. Our non-current contract assets decreased to RMB0.1 million as of December 31, 2025 primarily due to the re-classification of these assets as their warranty expiration dates fell within one year in 2025.

Other non-current assets

Our other non-current assets primarily consisted of deposits paid for finance leaseback arrangements which had been terminated.

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Net Current Assets

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Current assets				
Inventories	8,738	1,851	19,687	51,570
Trade and notes receivables . .	115,477	171,522	155,485	129,983
Prepayments, deposits and other receivables	22,951	14,604	25,544	48,022
Amounts due from related parties	33	—	—	—
Contract assets	2,895	1,728	2,343	2,350
Restricted bank deposits	—	25,466	40	40
Term deposits	55,000	30,000	90,000	70,000
Cash and cash equivalents . . .	74,138	64,044	166,968	82,782
Financial assets at FVTPL . . .	—	—	—	—
Total current assets	279,232	309,215	460,067	384,747
Current liabilities				
Trade and notes payables	93,157	138,991	133,741	116,048
Other payables and accruals . .	30,439	28,634	27,144	29,704
Lease liabilities	2,323	2,098	10,631	12,457
Borrowings	84,150	112,850	79,991	30,000
Contract liabilities	4,759	7,296	20,266	23,055
Total current liabilities	214,828	289,869	271,773	211,264
Net current assets	64,404	19,346	188,294	173,483

Our net current assets decreased from RMB64.4 million as of December 31, 2023 to RMB19.3 million as of December 31, 2024, primarily due to (i) an increase of borrowings, (ii) an increase in trade and notes payables, (iii) a decrease in term deposits, partially offset by (i) an increase in trade and notes receivables and (ii) an increase in restricted bank deposits. Our net current assets increased from RMB19.3 million as of December 31, 2024 to RMB188.3 million as of December 31, 2025, primarily due to (i) a significant increase in cash and cash equivalents, (ii) an increase in term deposits, (iii) a decrease in borrowings, and (iv) an increase in inventories, partially offset by (i) an increase in contract liabilities, (ii) an increase in lease liabilities, and (iii) a decrease in trade and notes receivables.

We expect to turn into net asset position upon [REDACTED], taking into account (i) the re-designation of the redemption liabilities from liabilities to equity as a result of the automatic termination of all preferential rights and (ii) the proceeds that we received from Series B5 Investments (see “History, Development and Corporate Structure — [REDACTED] Investments”).

Inventories

Our inventories consisted of raw materials, work in progress, and finished goods. The following table sets out a breakdown of our inventories as of the dates indicated:

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	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Raw materials	422	197	1,056
Work in progress ⁽¹⁾	2,599	183	14,572
Finished goods	5,717	1,471	5,036
Less: impairment provision	—	—	977
Total	8,738	1,851	19,687

Note:

- (1) Work in progress mainly included direct materials, labor costs and manufacturing costs to be consumed in the process of manufacture and service rendering related to the sales contracts.

We adopt project-based engagement and “build-to-order” business model, setting us apart from companies that sell standardised products. Normally, each project is independently budgeted and reviewed when we receive a client’s order. We procure raw materials based on the client’s demand and the specifications of the application scenarios of each project and manage inventory level to prevent excess stock of materials or finished products. In addition, our project delivery cycle may span multiple quarters or even longer. The timing of revenue recognition can vary significantly across different reporting periods upon final acceptance by the client. The nature of our projects also leads to varying levels of inventory at multiple cutoff dates due to project acceptance cycles. See “— Key Factors Affecting Our Performance — Seasonal Fluctuations and Project Delivery Cycles”.

Our inventories were RMB8.7 million as of December 31, 2023 compared to RMB1.9 million as of December 31, 2024, primarily due to a reduction in finished goods as a result of our improved efficiency in project evaluation and acceptance which shortened the time required for finished goods to be recognized as costs.

Our inventories were RMB1.9 million as of December 31, 2024 compared to RMB19.7 million as of December 31, 2025, primarily attributable to certain new projects with high contract values we undertook in early 2025 which caused a substantial increase in procurement of raw materials and work-in-progress before final acceptance by customers. The significant increase in work-in-progress represented products and solutions that had been manufactured but had not received final acceptance.

The following table sets forth our inventory turnover days for the years/periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	31	10	16

Note:

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year and multiplied by 365 days.

Being in the early stage of our commercialization, our inventory was more sensitive to fluctuations in the project acceptance period. Our inventory turnover days decreased from 31 days in 2023 to 10 days in 2024, mainly attributable to the significant increase in our revenue in 2024, causing a decreasing of the inventory balance at the end of 2024.

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Our inventory turnover days increased from 10 days in 2024 to 16 days in 2025, primarily due to the delivery cycles of certain new projects started in early 2025, which had not been delivered and accepted by customers by the end of 2025.

During the Track Record Period, our inventory turnover days remained at a relatively low level overall. This was primarily attributable to our inventory and production strategy for our project-based business nature, which avoids stockpiling and pre-production, thereby achieving alignment between procurement and actual demand. Furthermore, our cloud-based solutions does not require physical inventories, which reduced our overall inventory level.

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Less than one year	6,161	1,361	19,363
Over one year	2,577	490	324
Total	8,738	1,851	19,687

We have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We regularly review our inventories and recoverability to identify items with low sales or usage value and make impairment provisions accordingly. We assess impairment to inventories from time to time during the Track Record Period.

Our inventories are primarily aged one year or less. We have been closely monitoring the recoverability of the inventories aged over one year, which primarily comprised of remote controllers, switches, sensors, wire harnesses and structural parts. Considering the market demand, maintainability and adaptability of the aforementioned raw materials, supply chain stability, and our strategic business planning, we believe there are no material recoverability issues for these raw materials. Taking into account (i) our anticipation of the market demand, (ii) our continuous efforts in supply chain management and sales plans, and (iii) as of December 31, 2025, we have not identified any material projects fail to be accepted, our Directors are of the view that we did not identify any recoverability issue for our inventories.

As of April 30, 2026, RMB7.5 million, or 38.3% of our inventories as of December 31, 2025, had been consumed or sold.

Trade and notes receivables

Our trade and notes receivables primarily represented receivables in relation to our Trunk Port and Trunk Pilot businesses. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	110,512	170,436	150,270
Notes receivables	6,277	4,220	10,000
Less: Allowance for credit losses	(1,312)	(3,134)	(4,785)
Total	115,477	171,522	155,485

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Our trade and notes receivables increased significantly from RMB115.5 million as of December 31, 2023 to RMB171.5 million as of December 31, 2024, primarily due to (i) higher sales of our products and solutions with most contracts adopting installment payment terms and (ii) longer payment cycles of certain customers.

Our trade and notes receivables decreased from RMB171.5 million as of December 31, 2024 to RMB155.5 million as of December 31, 2025, primarily attributable to a combination of (i) our enhanced cash flow control and receivables collection management; (ii) the settlement of certain large receivables from Trunk Port projects delivered in 2024; and (iii) the shift in revenue mix toward Trunk Pilot projects in 2025, certain of which carried shorter payment cycles compared to the large-scale Trunk Port projects fulfilled in 2024.

The following table sets out an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 60 days	99,563	140,874	125,354
61-120 days	—	—	536
121-365 days	5,215	1,005	1,926
Above one year	5,734	28,557	22,454
Less: allowance for ECL	(1,312)	(3,134)	(4,785)
Total	109,200	167,302	145,485

We typically stipulate trading terms with our customers in the relevant sales contracts. For trade receivables, we generally grant a credit period of 7 to 60 days to our customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer’s financial condition and payment history with the Group. We seek to maintain strict control over our outstanding receivables. Our finance and risk control departments are responsible for minimizing credit risks. Overdue balances are reviewed regularly by senior management. To manage risks associated with trade receivables, we maintain frequent communications with our customers to ensure effective credit control.

Our trade receivables over 12 months increased from RMB5.7 million as of December 31, 2023 to RMB28.6 million as of December 31, 2024. Our trade receivables over one year decreased from RMB28.6 million as of December 31, 2024 to RMB22.5 million as of December 31, 2025, primarily due to collection of receivables from our clients.

The following table sets forth our turnover days of trade receivables for the years/periods indicated:

	Year ended December 31,		
	2023	2024	2025
Turnover days of trade receivables ⁽¹⁾	216	199	166

Note:

- (1) Turnover days of trade receivables are calculated using the average of opening balance and closing balance of trade receivables for a year divided by revenue for the relevant year and multiplied by 365 days.

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Our turnover days of trade receivables generally exceeded the granted credit terms, primarily due to the internal capital management and funding schedules of our major customers. These customers include two large-scale state-owned enterprises, which generally follow stringent and lengthy internal approval, budgeting and fund settlement processes, leading to slower payment progress relative to other customers. However, given their background and financial strength, the Directors consider the risk of default to be low. Our turnover days of trade receivables decreased from 216 days in 2023 to 199 days in 2024, and further to 166 days in 2025, primarily due to our enhanced receivables collection management, including the settlement of certain large receivables from Trunk Port projects delivered in 2024, and a shift in revenue mix toward Trunk Pilot projects with shorter payment cycles in 2025.

As of April 30, 2026, RMB88.2 million, or 56.8% of our trade and notes receivables as of December 31, 2025, had been settled.

For trade and notes receivables, we apply the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. We determine the ECL on these items by reference to information relating to probability of default, loss given default of the respective counter parties and adjusted for forward-looking information that is available without undue cost or effort. Except for trade and notes receivables relating to customers with significant doubt on collection of receivables or classified as doubtful, we determine the ECL on these items on a collective basis, grouped by debtors’ aging and industries. The grouping is regularly reviewed by our Directors to ensure relevant information about specific debtors is updated. See Note 37 to the Accountants’ Report included in Appendix I to this document.

Our Directors are of the view that there is no material recoverability issue for our trade receivables, including those aged over one year, primarily because (i) we actively communicate with our customers regarding settlement; (ii) that these customers are primarily large-scale state-owned enterprises with sound financial strength, and we assess our customers’ credit quality carefully and regularly, taking into account their business background, the general risks associated with their industries, their financial position, past experience and other factors and (iii) we monitor the subsequent settlement of trade receivables on a monthly basis and have not experienced any material recoverability issues for our trade receivables throughout the Track Record Period.

Prepayments, deposits and other receivables

The following table sets out a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Prepayments to suppliers and service providers	14,022	8,183	11,527
Deposits paid to suppliers	2,892	2,691	4,994
Input value added tax recoverable	5,763	3,653	5,630
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	274	77	617
Total	22,951	14,604	25,544

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Our prepayments, deposits and other receivables decreased from RMB23.0 million as of December 31, 2023 to RMB14.6 million as of December 31, 2024. This was primarily due to (i) a decrease in prepayments to suppliers and service providers because of our enhanced bargaining power with our suppliers and optimized procurement processes, which decreased the amount of prepayment and (ii) a slight decrease in deposits paid to suppliers, primarily consisting of performance and bid deposits.

Our prepayments, deposits and other receivables increased from RMB14.6 million as of December 31, 2024 to RMB25.5 million as of December 31, 2025 primarily due to (i) the addition of [REDACTED] in [REDACTED] and (ii) an increase in prepayments made to suppliers and the corresponding amount of recoverable input value-added tax, in line with the expansion of our business scale.

As of April 30, 2026, RMB5.8 million, or 22.7% of our prepayments and other receivables as of December 31, 2025 had been settled.

Amounts due from related parties

As of 2023, our amounts due from related parties was RMB33 thousand, which represents the advances made for expenses on behalf of Beijing Zhika Internet Technology Co., Ltd (北京智卡互聯科技有限公司), our related party. As at December 31, 2024, such outstanding amounts due from related parties were repaid to us.

Contract assets

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Warranty retention receivables	3,518	4,044	2,472
Less: Impairment of contract assets	—	—	—
Total	3,518	4,044	2,472
Non-current	623	2,316	129
Current	2,895	1,728	2,343
Total	3,518	4,044	2,472

Our contract assets primarily consisted of warranty retention receivables, which represent our right to receive payment for work that has been completed but within warranty period. Our contract assets increased from RMB3.5 million as of December 31, 2023 to RMB4.0 million as of December 31, 2024. Such fluctuations were primarily due to the addition of warranty retention receivables from projects corresponding to multiple new customers, and the amount of new additions exceeded the amount of warranty retention receivables collected upon maturity during the same period.

Our contract assets decreased from RMB4.0 million as of December 31, 2024 to RMB2.5 million as of December 31, 2025, primarily due to changes in the number and value of projects that we have completed and delivered, and which include warranty retention provisions.

As of April 30, 2026, nil of our contract assets as of December 31, 2025 had been certified.

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Trade and notes payables

Our trade and notes payables primarily consisted of trade payables and note payables, mainly representing our obligation to pay for goods or services that have been purchased from suppliers in the ordinary course of business. During the Track Record Period, for trade payables, our suppliers generally granted us credit terms of five to 30 days. The following table sets out a breakdown of our trade and note payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables	93,157	114,351	133,741
Notes payables	—	24,640	—
Total	93,157	138,991	133,741

Our trade and notes payables increased from RMB93.2 million as of December 31, 2023 to RMB139.0 million as of December 31, 2024, primarily due to an increase in our procurement as we expanded our business scale.

Our trade and notes payables decreased by 3.8% from RMB139.0 million as of December 31, 2024 to RMB133.7 million as of December 31, 2025, primarily due to the settlement of a significant amount of payables from previous procurements.

The following table sets out an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	92,907	113,263	120,822
Over one year	250	1,088	12,919
Total	93,157	114,351	133,741

The following table sets forth our trade payables turnover days during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	186	193	180

Note:

- (1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by cost of sales used for the relevant year and multiplied by 365 days.

Our trade payables turnover days increased from 186 days in 2023 to 193 days in 2024. In 2025, the trade payables turnover days decreased to 180 days, which remained relatively stable overall and was primarily driven by the ordinary fluctuations in our settlement schedules with various suppliers. Our trade payables turnover days were longer than the typical credit period offered by our suppliers, mainly because certain suppliers had extended our credit terms after taking

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into account our good track record of creditworthiness and purchasing volume, aligning with our business expansion. Our Directors confirm that we had no material defaults in payment of our trade payables during the Track Record Period.

As of April 30, 2026, RMB24.5 million, or 18.3% of our trade payables as of December 31, 2025, had been settled.

Cash Conversion Cycle

During the Track Record Period, our inventory turnover days and turnover days of trade receivables together were longer than our trade payables turnover days, resulting in a positive cash conversion cycle. While we historically experienced a cash flow mismatch, we recorded an improvement in 2025. Our turnover days of trade receivables decreased to 166 days, falling below our trade payables turnover days of 180 days. This indicates an improved alignment between our cash inflows from customers and payment obligations to suppliers, benefiting our overall liquidity position.

Our management of working capital primarily focuses on trade receivables, which represent the most significant component of our current assets. In 2025, we successfully reduced our trade and notes receivables balance by 9.35% to RMB155.5 million despite our overall business growth, reflecting our enhanced collection efforts and stricter credit management with major customers. However, this improvement in receivables turnover was partially offset by an increase in inventories, which increased to RMB19.7 million as of December 31, 2025. This increase was mainly driven by contract costs in progress associated with the execution of large-scale projects. These inventory balances represent hardware and equipment. Moving forward, we aim to further shorten our cash conversion cycle by maintaining the momentum in receivables collection while accelerating project delivery and acceptance to convert these contract costs into revenue and cash inflows more rapidly. Simultaneously, we continue to optimize trade payables by negotiating longer payment terms with suppliers, leveraging the increased procurement volumes required for these expanding projects.

Other payables and accruals

Our other payables and accruals primarily consisted of (i) accrued salaries, (ii) other taxes payable and (iii) others. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Accrued salaries	17,465	17,316	19,308
Other taxes payable	7,971	7,505	4,278
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,003	3,813	2,814
Total	30,439	28,634	27,144

Our other payables and accruals decreased from RMB30.4 million as of December 31, 2023, to RMB28.6 million as of December 31, 2024 and decreased to RMB27.1 million as of December 31, 2025, primarily due to a decrease in other taxes payable and other items, partially offset by an increase in accrued salaries.

As of April 30, 2026, RMB4.5 million, or 16.7% of our other payables and accruals as of December 31, 2025, had been settled.

FINANCIAL INFORMATION

Contract liabilities

Our contract liabilities are advance payments received from customers for the sales of our autonomous driving solutions. Our contract liabilities increased to RMB7.3 million as of December 31, 2024 and further increased to RMB20.3 million as of December 31, 2025, primarily due to an increase in advance payments from our customers as a result of increased sales volume.

As of April 30, 2026, RMB1.0 million, or 4.9% of our contract liabilities as of December 31, 2025, had been recognised as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we have financed our cash requirements principally through bank borrowings, capital contribution from shareholders, and proceeds primarily from our business operations. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations and the [REDACTED] from the [REDACTED]. We currently do not anticipate any changes to the availability of financing to fund our operations in the future.

Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(82,589)	(86,452)	(80,452)
Net cash (used in)/from investing activities	(32,923)	29,024	(64,209)
Net cash from financing activities	69,434	47,334	247,585
Net (decrease)/increase in cash and cash equivalents	(46,078)	(10,094)	102,924
Cash and cash equivalents at beginning of the year	<u>120,216</u>	<u>74,138</u>	<u>64,044</u>
Cash and cash equivalents at end of the year	<u>74,138</u>	<u>64,044</u>	<u>166,968</u>

Net Cash Flows Used in Operating Activities

Our net operating cash outflow decreased from RMB86.5 million in 2024 to RMB80.5 million in 2025, primarily attributable to the increase in our sales, our enhanced receivable collection, and the shorter payment cycle of Trunk Pilot projects in 2025. Our net operating cash outflow increased from RMB82.6 million in 2023 to RMB86.5 million in 2024, primarily due to our business expansion and increased working capital needs.

In 2025, our net operating cash outflow was attributable to our loss before tax of RMB170.9 million, as adjusted by non-cash and non-operating items of RMB93.5 million and changes in working capital of RMB(3.0) million. The movement in working capital was mainly caused by the decrease in our trade and notes receivables of RMB14.4 million and the increase in contract liabilities of RMB13.0 million, benefited from our enhanced receivable collection and the shorter settlement cycle of Trunk Pilot projects in 2025, partially offset by the increase in inventories of RMB18.8 million due to our increased production to support our business growth and the increase in prepayments, deposits and other receivables due to our increased procurement.

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In 2024, our net operating cash outflow was attributable to our loss before tax of RMB187.2 million, as adjusted by non-cash and non-operating items of RMB96.8 million and changes in working capital of RMB3.9 million. The changes in working capital was primarily attributable to the increase in trade and notes payables of RMB45.8 million, the decrease in inventories of RMB6.9 million and decrease in prepayments, deposits and other receivables of RMB8.4 million, partially offset by the increase in trade and notes receivables of RMB57.9 million.

In 2023, our net operating cash outflow was attributable to our loss before tax of RMB212.6 million, as adjusted by non-cash and non-operating items of RMB77.8 million and changes in working capital of RMB52.3 million. The changes in working capital was primarily attributable to the increase in trade and notes payables, other payables and accruals of RMB83.9 million and the increase in other payables and accruals of RMB17.9 million, partially offset by the increase in trade and notes receivables of RMB37.6 million.

Despite the net operating cash outflows during the Track Record Period, we believe that our operating cashflow had improved as our key offerings have achieved commercialization and sales have increased. Our loss before tax narrowed from RMB212.6 million in 2023 to RMB170.9 million in 2025 and our net operating cash outflows also decreased. We are committed to improve our operating cashflow and plan to achieve this goal by implementing the following measures: (i) continuously increasing revenue by investing in technologies, expanding products and solutions, broadening the customer base, and deepening penetration among existing customers; (ii) boosting gross profit margin by optimizing cost structures, focusing on higher-value-added products and solutions, innovating proprietary technologies, enhancing supply chain management, and forging long-term partnerships to reduce procurement costs and maintain delivery capabilities; (iii) improving operating efficiency to keep operating expenses proportionate to revenue scale, leveraging economies of scale from business expansion, monitoring expenses, and optimizing resource allocation; and (iv) enhancing working capital efficiency through better receivables collection and inventory management.

Net Cash Flows Generated from/(Used in) Investing Activities

In 2025, our net cash flows used in investing activities was RMB64.2 million, which was primarily attributable to the placement of term deposits of RMB80.0 million.

In 2024, our net cash flows generated from investing activities was RMB29.0 million, which was primarily attributable to the net withdrawal of term deposits of RMB25.0 million and the receipt of assets-related governments grants of RMB2.7 million.

In 2023, our net cash flows used in investing activities was RMB32.9 million, which was primarily attributable to the placement of term deposits of RMB75.0 million, partially offset by the withdrawal of term deposits of RMB40.0 million.

Net Cash Flows Generated from Financing Activities

In 2025, our net cash flows generated from financing activities were RMB247.6 million, primarily attributable to the proceeds from issuance of shares with preferential rights of RMB260.0 million, the proceeds from borrowings of RMB99.2 million and withdrawal of restricted bank deposits of RMB25.4 million, partially offset by the repayment of borrowings of RMB132.0 million.

In 2024, our net cash flows generated from financing activities were RMB47.3 million, primarily attributable to (i) proceeds from borrowings of RMB166.6 million and (ii) the proceeds from issuance of shares with preferential rights of RMB50.0 million, partially offset by (i) repayment of borrowings of RMB137.9 million and (ii) the placement of restricted bank deposits of RMB25.5 million.

FINANCIAL INFORMATION

In 2023, our net cash flows generated from financing activities were RMB69.4 million, primarily attributable to (i) proceeds from borrowings of RMB94.8 million and (ii) the proceeds from issuance of shares with preferential rights of RMB50.0 million, partially offset by repayment of borrowings of RMB68.1 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Employee employment ⁽¹⁾	102,270	66,629	70,449
Research and development expenses ⁽²⁾ . . .	21,267	48,112	77,668
Direct service and production cost ⁽³⁾	48,100	192,806	227,596
Selling and distribution ⁽⁴⁾	5,818	6,815	11,815
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	177,455	314,362	396,116

Notes:

- (1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under R&D expenses, general and administrative expenses, cost of sales and selling and marketing expenses (excluding share-based compensation which is non-cash in nature), adjusted for changes in working capital relating to employee benefit expenses as of previous and current year end under the above operating expenses.
- (2) Research and development costs under cash operating costs represent research and development costs (excluding employee benefit expenses and non-cash items under research and development costs), adjusted for changes in working capital relating to research and development activities as of previous and current year end.
- (3) Cash operating costs relating to direct service and production costs, including materials represent cost of sales (excluding employee benefit expenses and non-cash items under cost of sales), adjusted for changes in working capital relating to cost of sales as of previous and current year end.
- (4) Cash operating costs relating to marketing represent selling and distribution (excluding employee benefit expenses and non-cash items under selling and distribution expenses), adjusted for changes in working capital relating to sales and distribution activities as of previous and current year end.

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our indebtedness included borrowings, lease liabilities and redemption liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30,
	(RMB in thousands)			2026
				(unaudited)
Current				
Borrowings	84,150	112,850	79,991	30,000
Lease liabilities	2,323	2,098	10,631	12,457
Non-current				
Lease liabilities	1,813	—	13,147	12,086
Redemption liabilities	893,380	1,021,219	1,376,280	1,409,995
Total	981,666	1,136,167	1,480,049	1,464,538

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Except for our indebtedness as disclosed above as of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured.

Borrowings

Our borrowings consisted of bank borrowings, bank borrowings relating to bills discounted with recourse and other borrowings relating to sale-and-leaseback transactions. The following table sets forth the nature of our borrowings as at the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Bank borrowings	76,650	109,150	79,991	20,000
Bank borrowings relating to bills discounted with recourse	—	3,700	—	10,000
Other borrowings relating to sale- and-leaseback transactions	7,500	—	—	—
Total	84,150	112,850	79,991	30,000
Guaranteed	51,000	61,000	59,991	—
Guaranteed and secured	27,500	—	—	—
Unguaranteed and unsecured	5,650	51,850	20,000	30,000
Total	84,150	112,850	79,991	30,000
Current portion	84,150	112,850	79,991	30,000
Non-current portion	—	—	—	—
Total	84,150	112,850	79,991	30,000

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had borrowings of RMB84.2 million, RMB112.9 million, RMB80.0 million and RMB30.0 million, respectively, mainly representing guaranteed, unguaranteed, secured and unsecured bank loans primarily to supplement our working capital. The effective interest rate on our bank loans ranged from 2.3% to 5.0% during the Track Record Period. Our borrowings are all denominated in Renminbi.

As of April 30, 2026, we have RMB200 million of committed unutilised banking facilities.

Our Directors confirm that, there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease liabilities

Our lease liabilities represented the present value of outstanding lease payments under our lease agreements. The following table sets forth our lease liabilities as at the dates indicated:

FINANCIAL INFORMATION

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Within one year	2,323	2,098	10,631	12,457
Within a period of more than one year but not exceeding two years	1,813	—	9,472	9,252
Within a period of more than two years but not exceeding three years	—	—	3,675	2,834
Total	4,136	2,098	23,778	24,543

Our total lease liabilities decreased from RMB4.1 million as of December 31, 2023 to RMB2.1 million as of December 31, 2024, primarily attributable to the repayment of lease liabilities. Our lease liabilities further increased from RMB2.1 million as of December 31, 2024 to RMB23.8 million as of December 31, 2025, primarily due to the entry into new leases. Our lease liabilities slightly increased to RMB24.5 million as of April 30, 2026 due to new leases.

Redemption liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our redemption liabilities amounted to RMB893.4 million, RMB1,021.2 million, RMB1,376.3 million and RMB1,410.0 million, respectively, which was due to the issuance of shares with preferential rights. Upon [REDACTED], our redemption liabilities will be re-designated from liabilities to equity as a result of the automatic conversion of the shares with preferential rights into ordinary shares.

No Other Outstanding Indebtedness

Save as disclosed above in the “— Indebtedness” section, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of April 30, 2026, being our indebtedness statement date. After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material change in our indebtedness since April 30, 2026.

CONTINGENT LIABILITIES

Save as disclosed above in the “— Indebtedness” section, as of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Revenue growth rate (%) ⁽¹⁾	19.4	89.5	35.6
Gross profit margin (%) ⁽²⁾	12.2	22.7	27.1
Adjusted net loss margin (Non-HKFRS Measure) (%) ⁽³⁾	(111.2)	(41.2)	(24.2)

FINANCIAL INFORMATION

Notes:

- (1) Revenue growth rate is calculated as the year-on-year growth rate of revenue.
- (2) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (3) Adjusted net loss margin (Non-HKFRS Measure) equals adjusted net loss (Non-HKFRS Measure) divided by revenue and multiplied by 100%.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

Throughout the Track Record Period, all of our research and development expenditures were exclusively allocated to the research, development and iterative optimization of its Specialist Technology Products, which form the core technological business underpinning our eligibility for [REDACTED] under Chapter 18C of the Listing Rules.

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by adding intangible assets related to R&D software acquired from third parties and capitalized, less amortization expenses of capitalized intangible assets included in R&D expenditure.

The table below sets forth our annual and total R&D expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
R&D expenses	119,407	115,162	120,253
Adjustments:			
Add: Intangible assets related to R&D software acquired from third parties and capitalized	—	—	—
Less: Amortization expenses of capitalized intangible assets included in R&D expenditure	—	—	—
Annual R&D expenditure	119,407	115,162	120,253
Total R&D expenditure		354,822⁽¹⁾	

Note:

- (1) Total R&D expenditure for the three financial years prior to the [REDACTED].

The table below sets forth our annual and total operating expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
R&D expenses	119,407	115,162	120,253
Selling and distribution expenses	19,718	19,610	20,550
Administrative expenses	40,538	30,223	38,243
Adjustments:			
Add: Intangible assets related to R&D software acquired from third parties and capitalized	—	—	—

FINANCIAL INFORMATION

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Less: Amortization expenses of capitalized intangible assets included in R&D expenditure	—	—	—
Annual total operating expenditure . . .	179,663	164,995	179,046
Total operating expenditure		523,704⁽¹⁾	

Note:

(1) Total operating expenditure for the three financial years prior to the [REDACTED].

The table below sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Annual R&D expenditure ratio ⁽¹⁾	66.5%	69.8%	67.2%
Total R&D expenditure ratio		67.8%⁽²⁾	

Notes:

- (1) Calculated by dividing annual R&D expenditure by annual total operating expenditure multiplied by 100%.
- (2) Calculated by dividing total R&D expenditure for the three financial years prior to the [REDACTED] by total operating expenditure for the three financial years prior to the [REDACTED].

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of purchase of property, plant and equipment and purchase of intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Purchase of property, plant and equipment .	638	730	6,561
Total	638	730	6,561

In 2023, 2024 and 2025, our capital expenditures were RMB638 thousand, RMB730 thousand and RMB6.6 million, respectively. We funded these expenditures mainly with cash generated from our equity and debt financing activities.

We intend to fund our planned capital expenditures primarily through a combination of the [REDACTED] from the [REDACTED] as well as cash generated from operating activities. See “Future Plans and [REDACTED].”

FINANCIAL INFORMATION

CAPITAL COMMITMENTS

As at December 31, 2023 and 2024, we had no capital commitments. As at December 31, 2025, our capital commitments amounted to RMB1,980 thousand, which was primarily related to the outstanding payments under contracts for the construction and renovation of production facilities.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 39 to the Accountants’ Report included in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 39 to the Accountants’ Report included in Appendix I to this document was conducted in the ordinary course of business on an arm’s-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

FINANCIAL RISKS MANAGEMENT

We are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These risks primarily relate to credit exposures arising from our financial assets and the sufficiency of our cash flows to meet financial obligations. See Note 37 to the Accountants’ Report included in Appendix I to this document.

DIVIDENDS

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

FINANCIAL INFORMATION

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the [REDACTED] from the [REDACTED] and the financial resources available to us, including our future operating cash flows in respective periods, cash and cash equivalents, term deposits, financial assets at FVTPL, available equity financing and unutilized bank facilities, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and intangible assets, (iii) prepaid lease payments and repayments of lease liabilities, and (iv) interest paid. Our historical cash burn rate was RMB7.6 million, RMB7.8 million and RMB8.0 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents, financial assets at FVTPL, term deposits and unutilized bank facilities of RMB352.8 million as of April 30, 2026. We estimate that we will receive [REDACTED] of approximately [REDACTED] after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range in this document. Assuming that the average cash burn rate going forward will be RMB16.1 million, 2.0 times of the cash burn rate level for the year ended December 31, 2025 based on the historical cash burn rate growth and future plans, although the cash burn rate is subject to changes due to various factors including but not limited to the business development, industry trend and customers' requirements, we estimate that our cash and cash equivalents, financial assets at FVTPL, term deposits and unutilized bank facilities as of April 30, 2026 will be able to maintain our financial viability (i) for [22] months, or (ii) if we take into account [REDACTED] of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general purposes), for [REDACTED] months, or (iii) if we take into account [REDACTED] of the estimated [REDACTED] (based on the [REDACTED]) from the [REDACTED], for [REDACTED] months. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. See “— Indebtedness.” We do not expect to have next round of financing before the [REDACTED].

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately [REDACTED] (assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED]), representing [REDACTED] of the [REDACTED] (based on the mid-point of our indicative [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] of [REDACTED], of which [REDACTED] was charged to the consolidated statements of profit or loss and [REDACTED] will be deducted from equity.

In addition, we expect to incur a [REDACTED] of approximately [REDACTED], of which approximately [REDACTED] is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately [REDACTED] is expected to be recognized as a deduction in equity directly upon [REDACTED]. Our Directors do not expect such expenses to materially impact our results of operations in 2026. By nature, our [REDACTED] are comprised of (i) [REDACTED] related expenses of approximately [REDACTED], and (ii) non-[REDACTED] related expenses of approximately [REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountant of approximately [REDACTED] and other fees and expenses of approximately [REDACTED].

FINANCIAL INFORMATION

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED TANGIBLE ASSETS LESS LIABILITIES

See “Appendix II — Unaudited [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Business Strategies” in this document for a detailed description of our future plans.

[REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of [REDACTED] and [REDACTED]), we estimate that we will receive [REDACTED] of approximately [REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for continuous enhancement of our research and development capabilities, including:
 - i. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used to continuously upgrade our core technologies. We will focus on enhancing our AiTrucker autonomous driving system and Trunk CAFC Connected Autonomous Freight Convoy system, as well as the relevant hardware, so as to promote the broader application of autonomous trucks across diverse logistics scenarios. We plan to (i) recruit senior algorithm engineers and system architects in key areas such as perception, planning and control including technical experts and senior R&D engineers. We seek to recruit candidates who are generally required to hold a master’s degree and possess more than three years of core R&D experience. We will offer market competitive salaries, which comprise a base salary, project bonuses, and potential equity incentives. We will also provide interdisciplinary training covering AI technologies and engineering R&D. These recruitment and training efforts are expected to enhance our overall capacity, thereby accelerating product iteration and adaptability. This includes shortening algorithm iteration and R&D validation cycles, as well as increasing perception accuracy; (ii) conduct road tests, pay for customized development of simulation platforms, and outsource certain supporting technologies to concentrate on core technology development; (iii) procure and upgrade equipment and hardware, including components, sensor modules and chip samples required for R&D, to support large-scale algorithm training and data processing; and (iv) conduct multi-scenario and on-road testing and validation activities. The collected road test data will support our model training, and is expected to enhance the obstacle recognition accuracy of the AiTrucker autonomous driving system in mixed traffic flows and improve the scheduling efficiency of our AiCloud platform.
 - ii. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be allocated to the research, development and iteration of our products, including controllers, autonomous trucks and platooning systems, as well as the development and upgrade logistics operation management systems and intelligent cloud-based big data platforms. We plan to (i) recruit product managers, R&D engineers and scenario application researchers to form research teams for hardware design, software development and scenario adaptation including R&D engineers and R&D project managers. We seek to recruit candidates holding a master’s degree or above with background in related fields such as computer science, electronic information, automation and control, automotive and mechanical engineering, and artificial intelligence, and possessing relevant R&D experience. We will offer market competitive salaries, which comprise a base salary, project bonuses, and potential equity incentives; (ii) conduct new scenario research, engage third-party institutions for product performance testing and certification to ensure compliance

FUTURE PLANS AND [REDACTED]

with industry standards; (iii) procure core components, software and hardware equipment for the development of upgraded products, in order to achieve technological iteration; and (iv) conduct field research and product validation in real-world environments.

- iii. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used to strengthen our closed-loop data and simulation testing systems, and to continuously enhance our high-precision digital twin platform to accelerate algorithm iteration and system validation. We plan to (i) recruit simulation engineers and platform operation engineers to improve data closed-loop processes; (ii) pay for customized development of the digital twin platform to build simulation environments covering multiple logistics scenarios; (iii) procure high-performance computing clusters and storage devices to support large-scale modeling and simulation; and (iv) perform routine platform maintenance and functional optimization.

These applications are designed to accelerate our technical iteration and product maturity. Specifically, the strengthened R&D capabilities will enable us to shorten algorithm training and validation cycles, improve perception, planning and control accuracy and safety redundancy, as well as ensure compliance with industry safety standards. We also expect to further expand application scenarios of our products and services to support large-scale commercial deployment of our autonomous trucks.

In terms of the R&D personnel to be recruited as mentioned above, we planned to recruit approximately 120 senior engineers, 100 engineers and 25 graduates by the end of 2030. Our Directors are of the view that, based on the industry analysis of Frost & Sullivan, there is an available pool of candidates in the industry who may meet the qualification criteria as mentioned above.

- Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for the mass production and supply chain system development of intelligent equipment and core components, with the aim of continuously enhancing the quality, standardization and cost competitiveness of our products and solutions, including:
 - i. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for the construction of packaging lines, including digitization and flexible upgrade of production and testing lines for AiBox and AiTruck. We plan to (i) recruit production and quality management personnel and provide automation training; and (ii) purchase automated production equipment and integrated testing facilities to achieve efficient end-to-end production management. Specifically, we plan to establish new production facilities by leasing or purchasing factory premises, and purchasing fixed assets such as automated production equipment and integrated testing facilities to build production lines for our AiBox. Upon completion, the planned annual production capacity will reach several thousand sets of AiBox.
 - ii. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used to establish long-term strategic partnerships with key suppliers in order to build a stable, secure, and cost-competitive global supply chain network. We plan to (i) form joint development teams to collaborate with core suppliers on technology integration and co-development; and (ii) upgrade supply chain management information systems and related hardware to improve responsiveness and transparency.

We believe that there is sufficient market demand to support our planned production expansion and capacity ramp-up. Our expansion is supported by (i) the rapid growth of the market size for autonomous driving solutions for commercial

FUTURE PLANS AND [REDACTED]

vehicles as projected by Frost & Sullivan, which is driven by increasing demand for operational efficiency, lower labor costs, and enhanced safety (ii) our growing pipeline of indicative orders and continuous negotiations with major clients demonstrating a continuing commercial demand for our scalable solutions; and (iii) a policy environment that has generally supported the development of the sector.

- Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for market expansion and the development of the brand ecosystem, including:
 - i. Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for market development in key regions of the Chinese mainland. We plan to (i) expand sales and service teams to strengthen localized operations. In particular, within closed scenarios, we will continue to cultivate major seaport customers while expanding our reach to international land ports and airports, aiming to achieve coverage across sea, land, and air logistics hubs; (ii) implement omni-channel digital marketing and participate in industry exhibitions and forums; and (iii) optimize promotional activities to enhance customer trust and cooperation experience. Specifically, we will expand collaborations with leading OEMs and logistics enterprises to further drive the mass production and sales of autonomous trucks in road freight scenario. Concurrently, we will deepen cooperation with major logistics companies to advance the commercialization of autonomous driving platooning. For our Trunk City solution, we will gradually penetrate open scenarios such as urban delivery across multiple cities in China.
 - ii. approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for overseas market development efforts, with an initial focus on closed-scenario applications, in Southeast Asia, the Middle East and South America, including Singapore, Dubai, Malaysia, Hong Kong and Brazil. Such efforts will be conducted selectively and on a phased basis, taking into account local regulatory requirements, commercial conditions and project feasibility. We plan to (i) build a team with international experience to support our overseas market assessment and project execution efforts; (ii) leverage existing overseas projects, including the Singapore port automation project, to establish reference cases and strengthen recognition of our capabilities in international markets; and (iii) conduct overseas market research and customer engagement in target markets to support compliance and execution of overseas operations, including collaboration with ecosystem partners to develop customized solutions tailored to local regulations and infrastructure.
- Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be used for strategic equity investments and acquisitions. We will prudently seek equity investments, primarily as a minority shareholder, or acquisition opportunities in industry peers and technology-related companies in fields such as domain control and chassis, simulation testing, domain control hardware design, algorithm training, and data processing. These investments aim to address gaps in our algorithmic capabilities, provide higher safety certifications, and strengthen core technology synergies. We expect the potential target to be a small-scale enterprise with a team size of 20 to 50 personnel, possessing specific R&D advantages in areas that align with our current technological R&D direction. We did not identify any specific targets or have any specific timeline as of the Latest Practicable Date. Our Directors are of the view that, according to Frost & Sullivan, there is an adequate number of potential targets in the market based on the criteria mentioned above.
- Approximately [REDACTED] of the [REDACTED], or [REDACTED], will be employed as working capital and for general corporate purposes.

FUTURE PLANS AND [REDACTED]

In the event that the [REDACTED] is set at the high-end or the low-end of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately [REDACTED], respectively.

If the [REDACTED] is fully exercised, we will receive additional [REDACTED] of approximately [REDACTED] (assuming an [REDACTED] of [REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the range of the [REDACTED] stated in this document, we will adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-[1] to I-[55], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TRUNK TECHNOLOGY (BEIJING) CO., LTD. AND GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

Introduction

We report on the historical financial information of Trunk Technology (Beijing) Co., Ltd. (the “Company”, previously known as Beijing Trunk Technology Co., Ltd.) and its subsidiaries (together, the “Group”) set out on pages I-[3] to I-[55], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[3] to I-[55] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1.2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on the Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1.2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at December 31, 2023, 2024 and 2025, of the Company’s financial position as at December 31, 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 1.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of the Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	134,112	254,093	344,513
Cost of sales		(117,716)	(196,480)	(251,194)
Gross profit		16,396	57,613	93,319
Other income	7	7,179	3,403	7,080
Other gains and losses	8	13,475	39	938
Selling and distribution expenses		(19,718)	(19,610)	(20,550)
Administrative expenses		(40,538)	(30,223)	(38,243)
Research and development expenses		(119,407)	(115,162)	(120,253)
Finance costs	9	(69,210)	(81,418)	(79,824)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		(803)	(1,822)	(1,651)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax		(212,626)	(187,180)	(170,936)
Income tax expense	10	—	—	—
Loss and total comprehensive expenses for the year	11	(212,626)	(187,180)	(170,936)
Loss and total comprehensive expenses for the year attributable to:				
Owners of the Company		(212,626)	(187,180)	(170,936)
Loss per share (present in RMB YUAN)				
Basic and diluted	15	(2.81)	(2.48)	(2.26)

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current Assets				
Property, plant and equipment	16	25,051	17,026	16,621
Intangible assets	17	2,461	2,163	1,864
Right-of-use assets	19	4,166	2,186	22,501
Contract assets	23	623	2,316	129
		<u>32,301</u>	<u>23,691</u>	<u>41,115</u>
Current Assets				
Inventories	20	8,738	1,851	19,687
Trade and notes receivables	21	115,477	171,522	155,485
Prepayments, deposits and other receivables	22	22,951	14,604	25,544
Amounts due from related parties	39	33	—	—
Contract assets	23	2,895	1,728	2,343
Restricted bank deposits	24	—	25,466	40
Term deposits	24	55,000	30,000	90,000
Cash and cash equivalents	24	74,138	64,044	166,968
		<u>279,232</u>	<u>309,215</u>	<u>460,067</u>
Current Liabilities				
Trade and notes payables	25	93,157	138,991	133,741
Other payables and accruals	26	30,439	28,634	27,144
Lease liabilities	27	2,323	2,098	10,631
Borrowings	28	84,150	112,850	79,991
Contract liabilities	30	4,759	7,296	20,266
		<u>214,828</u>	<u>289,869</u>	<u>271,773</u>
Net Current Assets		<u>64,404</u>	<u>19,346</u>	<u>188,294</u>
Total Assets less Current Liabilities . .		<u>96,705</u>	<u>43,037</u>	<u>229,409</u>
Non-current Liabilities				
Lease liabilities	27	1,813	—	13,147
Deferred income	29	551	3,309	4,608
Redemption liabilities	31	893,380	1,021,219	1,376,280
		<u>895,744</u>	<u>1,024,528</u>	<u>1,394,035</u>
Net Liabilities		<u>(799,039)</u>	<u>(981,491)</u>	<u>(1,164,626)</u>
EQUITY				
Paid-in capital/Share capital	33	1,414	1,435	15,392
Reserves		<u>(800,453)</u>	<u>(982,926)</u>	<u>(1,180,018)</u>
Equity attributable to owners of the Company		<u>(799,039)</u>	<u>(981,491)</u>	<u>(1,164,626)</u>
Total Deficit		<u>(799,039)</u>	<u>(981,491)</u>	<u>(1,164,626)</u>

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current Assets				
Property, plant and equipment	16	6,558	4,542	3,132
Intangible assets	17	773	677	580
Right-of-use assets	19	16	–	20,324
Investments in subsidiaries	41	22,137	52,698	52,698
Amounts due from subsidiaries	39	154,728	131,228	163,092
Contract assets	23	35	2,316	129
		<u>184,247</u>	<u>191,461</u>	<u>239,955</u>
Current Assets				
Inventories	20	8,607	1,848	19,622
Trade and notes receivables	21	108,394	144,843	64,263
Prepayments, deposits and other receivables	22	7,373	9,436	16,230
Amounts due from related parties	39	33	–	–
Contract assets	23	2,895	1,140	2,343
Restricted bank deposits	24	–	25,466	40
Term deposits	24	55,000	30,000	90,000
Cash and cash equivalents	24	57,220	58,305	138,158
		<u>239,522</u>	<u>271,038</u>	<u>330,656</u>
Current Liabilities				
Trade and notes payables	25	90,568	114,378	22,490
Other payables and accruals	26	26,980	25,477	20,981
Lease liabilities	27	–	–	9,751
Borrowings	28	79,650	112,850	79,991
Amounts due to subsidiaries	39	–	10,557	10,972
Contract liabilities	30	4,759	7,174	12,753
		<u>201,957</u>	<u>270,436</u>	<u>156,938</u>
Net Current Assets		<u>37,565</u>	<u>602</u>	<u>173,718</u>
Total Assets less Current Liabilities		<u>221,812</u>	<u>192,063</u>	<u>413,673</u>
Non-current Liabilities				
Lease liabilities	27	–	–	11,772
Deferred income	29	509	331	164
Redemption liabilities	31	893,380	1,021,219	1,376,280
		<u>893,889</u>	<u>1,021,550</u>	<u>1,388,216</u>
Net Liabilities		<u>(672,077)</u>	<u>(829,487)</u>	<u>(974,543)</u>
EQUITY				
Paid-in capital/Share Capital	33	1,414	1,435	15,392
Reserves	34	(673,491)	(830,922)	(989,935)
Total Deficit		<u>(672,077)</u>	<u>(829,487)</u>	<u>(974,543)</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total RMB'000
	Share capital	Paid-in capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total	
	RMB'000 (Note 33)	RMB'000 (Note 33)	RMB'000	RMB'000 (Note 32)	RMB'000	RMB'000	RMB'000
As at January 1, 2023.	–	1,393	(75,206)	75,335	(599,029)	(597,507)	(597,507)
Loss and total comprehensive expenses for the year	–	–	–	–	(212,626)	(212,626)	(212,626)
Capital contribution from shareholders . .	–	21	49,979	–	–	50,000	50,000
Recognition of redemption liabilities.	–	–	(50,000)	–	–	(50,000)	(50,000)
Recognition of equity- settled share-based payments expense (Note 32)	–	–	–	11,094	–	11,094	11,094
As at December 31, 2023	–	1,414	(75,227)	86,429	(811,655)	(799,039)	(799,039)
Loss and total comprehensive expenses for the year	–	–	–	–	(187,180)	(187,180)	(187,180)
Capital contribution from shareholders . .	–	21	49,979	–	–	50,000	50,000
Recognition of redemption liabilities.	–	–	(50,000)	–	–	(50,000)	(50,000)
Recognition of equity- settled share-based payments expense (Note 32)	–	–	–	4,728	–	4,728	4,728

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	Attributable to owners of the Company						
	Share capital	Paid-in capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total	
	RMB'000 (Note 33)	RMB'000 (Note 33)	RMB'000	RMB'000 (Note 32)	RMB'000	RMB'000	RMB'000
As at December 31, 2024	–	1,435	(75,248)	91,157	(998,835)	(981,491)	(981,491)
Loss and total comprehensive expenses for the year	–	–	–	–	(170,936)	(170,936)	(170,936)
Capital contribution from shareholders . .	–	104	259,896	–	–	260,000	260,000
Exercise of share options	–	–	98,153	(91,207)	–	6,946	6,946
Recognition of redemption liabilities.	–	–	(260,000)	–	–	(260,000)	(260,000)
Derecognition of redemption liabilities (Note 31)	–	–	1,351,271	–	–	1,351,271	1,351,271
Conversion into a joint stock limited liability company (Note 33) .	15,392	(1,539)	(958,821)	–	944,968	–	–
Re-recognition of redemption liabilities (Note 31)	–	–	(1,370,466)	–	–	(1,370,466)	(1,370,466)
Recognition of equity-settled share-based payments expense (Note 32)	–	–	–	50	–	50	50
As at December 31, 2025	<u>15,392</u>	<u>–</u>	<u>(955,215)</u>	<u>–</u>	<u>(224,803)</u>	<u>(1,164,626)</u>	<u>(1,164,626)</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
Loss before tax	(212,626)	(187,180)	(170,936)
Adjustments for:			
Depreciation of property, plant and equipment . .	9,876	8,510	6,895
Amortisation of intangible assets	299	298	299
Depreciation of right-of-use assets	4,173	2,263	6,924
Deferred income recognised	(1,352)	(242)	(701)
Loss on disposal of property, plant and equipment	–	153	117
Gain on non-substantive modification of redemption liabilities	(14,095)	–	–
Net impairment losses of inventories	–	–	977
Loss/(gain) from termination of right-of-use assets	267	–	(216)
Interest income	(2,457)	(1,994)	(2,031)
Finance costs	69,210	81,418	79,824
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	803	1,822	1,651
Impairment losses recognised on investments in a joint venture	–	28	–
Gain from changes in fair value of financial assets at fair value through profit or loss (“FVTPL”)	(51)	(137)	(267)
Recognition of equity-settled share-based payments expense	11,094	4,728	50
Operating cash flows before movements in working capital	(134,859)	(90,333)	(77,414)
(Increase)/decrease in trade and notes receivables	(37,612)	(57,867)	14,386
Decrease/(increase) in inventories	2,839	6,887	(18,813)
Decrease/(increase) in prepayments, deposits and other receivables	8,841	8,438	(8,264)
Decrease in amounts due from related parties . .	–	33	–
(Increase)/decrease in contract assets	(2,525)	(526)	1,572
Decrease in other non-current assets	2,000	–	–
Increase/(decrease) in trade and notes payables .	66,020	45,834	(5,250)
Increase/(decrease) in other payables and accruals	17,873	(1,805)	(1,639)
(Decrease)/increase in contract liabilities	(5,244)	2,537	12,970
Increase in deferred income	78	350	2,000
Cash used in operations	(82,589)	(86,452)	(80,452)
NET CASH USED IN OPERATING ACTIVITIES	(82,589)	(86,452)	(80,452)
INVESTING ACTIVITIES			
Acquisition of investment in a joint venture	–	(28)	–
Placement of term deposits	(75,000)	(35,000)	(80,000)
Withdrawal of term deposits	40,000	60,000	20,000

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ACCOUNTANTS’ REPORT

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest received from term deposits	2,457	1,994	2,031
Prepaid lease payments	(217)	–	–
Purchase of property, plant and equipment	(638)	(730)	(6,561)
Proceeds from disposal of property, plant and equipment	59	1	54
Receipt of assets-related governments grants	365	2,650	–
Purchase of financial assets at FVTPL	(11,000)	(71,000)	(230,000)
Withdrawal of financial assets at FVTPL	11,051	71,137	230,267
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u>(32,923)</u>	<u>29,024</u>	<u>(64,209)</u>
FINANCING ACTIVITIES			
Proceeds from issuance of shares with preferential rights	50,000	50,000	260,000
Exercise of share options	–	–	6,946
Payments for [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Proceeds from borrowings	94,750	166,619	99,184
Repayment of borrowings	(68,050)	(137,919)	(132,043)
Repayments of lease liabilities	(4,789)	(2,437)	(5,835)
Interest paid	(2,477)	(3,463)	(3,466)
Proceeds from restricted bank deposits	–	–	25,426
Placement of restricted bank deposits	–	(25,466)	–
NET CASH FROM FINANCING ACTIVITIES	69,434	47,334	247,585
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(46,078)	(10,094)	102,924
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	120,216	74,138	64,044
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	74,138	64,044	166,968

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ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

1.1 General Information

Trunk Technology (Beijing) Co., Ltd. (the “Company”, previously known as Beijing Trunk Technology Co., Ltd.), was incorporated in the People’s Republic of China (the “PRC”) on March 16, 2017 as a limited liability company. The address of the Company’s registered office and principal place of business are disclosed in the section headed “Corporate Information” in the document.

Upon approval by the shareholders’ general meeting held on November 7, 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered Chinese name from 北京主線科技有限公司 to 主線科技(北京)股份有限公司 on November 12, 2025.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the development and sales of intelligent vehicles and solutions in the PRC.

Its ultimate controlling shareholder pursuant to the meaning under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) is Mr. Zhang Tianlei, who is a director and the chief executive officer of the Company.

1.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards issued by HKICPA. In addition, the Historical Financial Information include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

As at December 31, 2025, the Group had net current assets of RMB188,294,000, and net liability of RMB1,164,626,000 which is mainly due to the redemption liabilities of RMB1,376,280,000. Based on the working capital forecast of the Group for the next 12 months, taking into account the financial resources available to the Group and the unutilized banking facilities of RMB50,000,000 as at December 31, 2025, the directors of the Company (the “Directors”) are of the opinion that the Group will have sufficient cash resources to satisfy its future working capital in the next 12 months from the date of this report. In addition, the redemption rights have ceased to be effective and shall be automatically resumed only under certain situations such as the Company withdraws its [REDACTED], the application is not approved, or the [REDACTED] (“[REDACTED]”) is not completed within 18 months since the first submission of [REDACTED] as disclosed in Note 31. Therefore, the Directors are of the view that it is unlikely that the Group will have significant cash outflows for the settlement of redemption liabilities in the next 18 months from December 11, 2025. Accordingly, the Directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

The statutory financial statements of the Company for the years ended December 31, 2023 and 2024, were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Beijing Dongshen Certified Public Accountants LLP (北京東審會計師事務所(特殊普通合夥)), certified public accountants registered in Beijing.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025, throughout the Track Record Period.

New and revised HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency³</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instrument²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11²</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

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³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Impacts on application of HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Basis of Preparation of Financial Statements* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

Information about the Group’s accounting policies relating to contracts with customers is provided in Notes 5 and 23.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain offices and quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives **received**;
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

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Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease and the lease term is usually 1 year. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Such income is derived from the Group’s ordinary course of business and are presented as revenue.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of HKFRS 9.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under “other income”.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRSs requires or permits the inclusion of the benefit in the cost of an asset.

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A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Shares/Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

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Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the cash-generating unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the cash-generating unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories, representing intelligent vehicles and related materials for production, are stated at the lower of cost and net realizable value. Cost of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated as fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and notes receivables, deposits and other receivables, amounts due from related parties, restricted bank deposits, term deposits and cash and cash equivalents) and other items (contract assets), which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant financial instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade and notes receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Except for trade and notes receivables and contract assets relating to customers with significant doubt on collection of receivables, the Group measures ECL on a collective basis for portfolios of financial instruments that share similar economic risk characteristics. Lifetime ECL for trade and notes receivables and contract assets are considered on a collective basis taking into consideration debtors’ aging and relevant credit information such as forward-looking macroeconomic information.

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For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and notes receivables, deposits and other receivables, contract assets and amounts due from related parties where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities, including trade and notes payables, part of other payables and accruals, borrowings and redemption liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities’ original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months.

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Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with significant doubt on collection are assessed for ECL individually.

In addition, for trade receivables and contract assets which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the industries, aging, external credit ratings and remaining performance period. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables and contract assets are disclosed in Note 37.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

During the Track Record Period, the Group’s revenue which represents the amount received and receivable, net of sales related taxes, from sales of autonomous vehicles, provision of autonomous driving solutions and others, are as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Types of services or goods:			
Trunk Port			
– Sales of autonomous driving solutions (<i>Note (ii)a</i>) . .	39,980	180,437	121,365
– Provision of autonomous driving services (<i>Note (ii)b</i>)	–	1,457	6,174
	<u>39,980</u>	<u>181,894</u>	<u>127,539</u>
Trunk Pilot			
– Sales of autonomous driving solutions (<i>Note (ii)a</i>) . .	40,170	14,431	190,465
– Provision of autonomous driving services (<i>Note (ii)b</i>)	27,159	27,643	24,775
	<u>67,329</u>	<u>42,074</u>	<u>215,240</u>
Trunk City			
– Sales of autonomous driving solutions (<i>Note (ii)a</i>) . .	26,803	29,803	–
	<u>134,112</u>	<u>253,771</u>	<u>342,779</u>
Timing of revenue recognition within HKFRS 15:			
– At a point in time	106,953	224,671	311,830
– Over time	27,159	29,100	30,949
	<u>134,112</u>	<u>253,771</u>	<u>342,779</u>

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	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of services or goods:			
Others (Note (ii)c)	–	322	1,734
	<u>134,112</u>	<u>254,093</u>	<u>344,513</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

a. Sales of autonomous driving solutions

Revenue generated from sales of autonomous driving solutions include sales of trucks which have been renovated with unmanned driving function (“AiTruck”) and/or solutions which combines the unmanned trucks and artificial intelligent transportation robot and full-stack solutions with proprietary algorithms and software, which is recognised at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the AiTruck or solutions by the customers depending on the terms of the underlying contract.

The Group controls the specified goods and services before they are transferred to a customer, has discretion in establishing prices, has the primary responsibility for selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group is the principal and the revenue generated from sales of autonomous driving solutions is reported on a gross basis.

After the sales contracts have been signed, partial consideration will be collected by the Group. Before the solutions are delivered to the customers, further progress payments will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected within the credit periods granted to customers. The amount of quality warranty will be collected after the end of the warranty period.

Sales-related warranties associated with autonomous driving solutions cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37.

b. Provision of autonomous driving services

The Group provides intelligent transportation services and/or maintenance services to customers. Such services are recognised as a performance obligation satisfied over time based on the Group’s service schedules confirmed by customers during the service period with output method, as the customer simultaneously receives and consumes the benefits throughout the period. Advance consideration allocated to the services is recognised as a contract liability and is released over the period of services.

c. Others

The Group provides leases of AiTruck to customers and all leases are classified as operating leases under HKFRS 16.

All performance obligation under the contracts are expected to be completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT INFORMATION

(i) Segment information

Information reported to Mr. Zhang Tianlei, who is identified as the chief operating decision maker of the Group, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is reviewed. Accordingly, no operating segment information is presented.

(ii) Geographical information

No geographic information is presented as the non-current assets are all located in the PRC and revenue of the Group are all derived from its activities in the PRC.

(iii) Information about major customers

For the year ended December 31, 2023, 2024 and 2025, revenue from customers individually contributing over 10% of the total revenue of the Group amounted to:

- 2023: RMB26,799,000, RMB19,696,000 and RMB15,521,000, respectively.
- 2024: RMB76,690,000, RMB29,811,000 and RMB27,526,000, respectively.
- 2025: RMB 49,670,000 and RMB 36,239,000, respectively.

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7. OTHER INCOME

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (<i>Note</i>)	3,678	1,038	3,669
Interest income from bank balances	2,457	1,994	2,031
Others	1,044	371	1,380
	<u>7,179</u>	<u>3,403</u>	<u>7,080</u>

Note:

The government grants mainly related to approved research and development (“R&D”) initiatives, where expenditure is restricted to the procurement of research equipment and compensation for the R&D expenses.

8. OTHER GAINS AND LOSSES

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Impairment losses recognised on investments in a joint venture	–	(28)	–
Gain from withdrawal of financial assets at FVTPL	51	137	267
(Loss)/gain from termination of right-of-use assets	(267)	–	216
Loss on disposal of property, plant and equipment	–	(153)	(117)
Gain on non-substantive modification of redemption liabilities (<i>Note 31</i>)	14,095	–	–
Others	(404)	83	572
	<u>13,475</u>	<u>39</u>	<u>938</u>

9. FINANCE COSTS

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interests expense on redemption liabilities (<i>Note 31</i>)	(66,485)	(77,839)	(75,866)
Interests on lease liabilities	(248)	(116)	(492)
Interests on borrowings	(2,477)	(3,463)	(3,466)
	<u>(69,210)</u>	<u>(81,418)</u>	<u>(79,824)</u>

10. INCOME TAX EXPENSE

Under the Law of the PRC on enterprise income tax (the “EIT Law”) and implementation regulation of the EIT Law, the statutory tax rate applicable to the Company and the PRC subsidiaries is 25% during the Track Record Period.

Under the EIT Law effective on January 1, 2008, the “High and New Technology Enterprise” (the “HNTE”) status of qualifying entities is valid for three years and qualifying entities can re-apply for an additional three years provided their business operations continue to qualify for the HNTE status. For the years ended December 31, 2023, 2024 and 2025, the Company and Shanghai Trunk Technology Co., Ltd (“Shanghai Trunk”) were qualified as HNTE and were entitled to a preferential tax rate of 15%. For the year ended December 31, 2023, Tianjin Trunk Technology Co., Ltd (“Tianjin Trunk”) was qualified as HNTE and was entitled to a preferential tax rate of 15%.

According to a policy promulgated by the State Taxation Administration of the PRC, enterprises engaged in “R&D” activities are entitled to claim an additional tax deduction based on the qualified R&D expenses incurred in determining its tax assessable profits for that year (“Super Deduction”). The Group was subject to a 200% R&D expense deduction ratio for the Track Record Period.

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The income tax expense for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(212,626)	(187,180)	(170,936)
Tax at the applicable rate of 15%	(31,894)	(28,077)	(25,640)
Tax effect of different tax rate	(134)	(1,099)	(2,629)
Tax effect of expenses not deductible for tax purpose	10,369	11,918	11,945
Tax losses/deductible temporary differences not recognised	35,417	27,231	24,352
Tax effect of Super Deduction	(13,758)	(9,973)	(8,028)
Income tax expense for the year	—	—	—

11. LOSS FOR THE YEAR

The Group’s loss for the year during the Track Record Period has been arrived at after charging:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of inventories recognised as an expense	85,535	137,997	227,764
Staff costs (including directors’, chief executives’, and supervisors’ emoluments as set out in Note 12):			
Salaries and bonuses	90,214	50,910	54,874
Share-based payments expenses	11,094	4,728	50
Social security costs, housing benefits and employee welfare	20,850	15,570	15,724
Total staff costs	122,158	71,208	70,648
Depreciation and amortisation:			
Depreciation of property, plant and equipment	9,876	8,510	6,895
Amortisation of intangible assets	299	298	299
Depreciation of right-of-use assets	4,173	2,263	6,924
Total depreciation and amortisation	14,348	11,071	14,118
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditor’s remuneration	147	107	306

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISOR

The emoluments paid or payable to the directors, chief executive and supervisor of the Company (including emoluments for services as employees/directors of the Company’s subsidiaries comprising the Group prior to becoming the Directors) by entities comprising the Group during the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	For the year ended December 31, 2023				
	Salaries and allowances	Performance-based bonuses	Social security costs, housing benefits and employee welfare	Equity-settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Zhang Tianlei	741	124	—	4,752	5,617
Mr. Wang Xiaodong	1,326	221	152	2,709	4,408
Mr. Wang Chao	1,380	230	152	219	1,981
Mr. An Lifeng	624	104	152	561	1,441
Non-executive directors					
Mr. Higashi Michihiro	—	—	—	—	—
Mr. Zhu Yan (Note i)	—	—	—	—	—
Mr. Hu Yu (Note i)	—	—	—	—	—
Supervisor					
Mr. Yang Shuai	605	101	152	25	883
Total	4,676	780	608	8,266	14,330

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For the year ended December 31, 2024

	Salaries and allowances	Performance-based bonuses	Social security costs, housing benefits and employee welfare	Equity-settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Zhang Tianlei	741	124	—	1,683	2,548
Mr. Wang Xiaodong	1,326	221	160	959	2,666
Mr. Wang Chao	1,380	230	160	78	1,848
Mr. An Lifeng	624	104	160	199	1,087
Non-executive directors					
Mr. Higashi Michihiro	—	—	—	—	—
Mr. Zhu Yong (Note i)	—	—	—	—	—
Mr. Li Yao (Note i)	—	—	—	—	—
Supervisor					
Mr. Yang Shuai	605	101	160	9	875
Total	4,676	780	640	2,928	9,024

For the year ended December 31, 2025

	Salaries and allowances	Performance-based bonuses	Social security costs, housing benefits and employee welfare	Equity-settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Zhang Tianlei	762	—	14	—	776
Mr. Wang Xiaodong	1,334	—	164	—	1,498
Mr. Wang Chao	1,388	—	164	—	1,552
Mr. An Lifeng	632	—	164	—	796
Non-executive directors (Note ii)					
Mr. Zhu, Yong	—	—	—	—	—
Mr. Li, Yao	—	—	—	—	—
Mr. Higashi Michihiro	—	—	—	—	—
Independent non-executive directors (Note ii)					
Mr. Huang, Guoquan	15	—	—	—	15
Mr. Huang, Yijian	15	—	—	—	15
Mrs. Meng, Qinghui	15	—	—	—	15
Supervisor (Note ii)					
Mr. Yang Shuai	612	—	164	—	776
Total	4,773	—	670	—	5,443

Note i: Non-executive directors, Mr. Zhu Yan and Mr. Hu Yu resigned on April 22, 2024 and November 29, 2024, and were succeeded by Mr. Li Yao and Mr. Zhu Yong, respectively.

Note ii: Both Non-executive directors and supervisor resigned on November 7, 2025 and independent non-executive directors were appointed on November 7, 2025.

The emoluments of executive directors and the supervisor shown above were mainly for their services in connection with the management of affairs of the Company and the Group. Non-executive directors’ emoluments were mainly borne by the shareholders of the Company.

During the Track Record Period, certain directors and the supervisor were granted shares in respect of their services to the Group, and the details are set out in Note 32 to the Historical Financial Information.

There was no arrangement under which a director, supervisor or chief executive of the Company waived or agreed to waive any remuneration during the Track Record Period.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the Track Record Period included four, four, and two directors for the years ended December 31, 2023, 2024 and 2025 respectively, details of whose remuneration are set out in Note 12. Details of the remuneration for the remaining one, one, and three individuals who are neither director nor supervisor of the Company for the Track Record Period were as follows:

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	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and allowances	663	663	2,310
Performance-based bonuses	111	111	–
Social security costs, housing benefits and employee welfare	152	160	493
Equity-settled share-based payments	837	789	–
	<u>1,763</u>	<u>1,723</u>	<u>2,803</u>

The number of the highest paid employees who are not the Directors and Supervisors whose remuneration fell within the following bands is as follows:

	For the year ended December 31,		
	2023	2024	2025
	No. of employees	No. of employees	No. of employees
Hong Kong dollars (“HKD”) nil to HKD1,000,000	–	–	2
HKD1,000,001 to HKD1,500,000	–	–	1
HKD1,500,001 to HKD2,000,000	1	1	–
Total	<u>1</u>	<u>1</u>	<u>3</u>

During the Track Record Period, no emoluments were paid by the Group to any of the Directors and Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

During the Track Record Period, certain non-director, non-chief executive and non-supervisor highest paid employees were granted shares in respect of their services to the Group, and the details are set out in Note 32.

14. DIVIDENDS

No dividend was declared or paid by the entities comprising the Group in respect of the Track Record Period. The Company has not declared or paid any dividends since its incorporation.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss:			
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(212,626)</u>	<u>(187,180)</u>	<u>(170,936)</u>
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>75,602,500</u>	<u>75,602,500</u>	<u>75,602,500</u>

The Company was converted into a joint stock limited liability company and issued 15,392,180 shares at par value of RMB 1.00 each on November 12, 2025. The weighted average number of shares for the purpose of calculating basic and diluted loss per share during the Track Record Period has been determined on the assumptions that the Company’s conversion into joint stock limited liability company had been completed on/effective since January 1, 2023.

In addition, on 3 December 2025, it was resolved in the Company’s shareholders’ meeting that each share of the Company with nominal value of RMB1.00 was subdivided into ten shares with nominal value of RMB0.10 each immediately prior to the [REDACTED]. Upon completion of such share subdivision, the share capital of the Company, which is RMB15,392,180, was divided into 153,921,800 shares with nominal value of RMB0.10 per share. The weighted average number of ordinary shares for the purpose of calculating basic loss per share also has been adjusted for this share subdivision.

Investors’ shares, which are recorded as redemption liabilities in Note 31, are not treated as outstanding shares and accordingly are excluded in the calculation of basic loss per share.

The computation of diluted loss per share for the years ended December 31, 2023, 2024, and 2025 has not taken into consideration the redemption liabilities as the effect is anti-dilutive.

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16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Furniture and office equipment	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
At January 1, 2023	33,706	5,760	13,916	—	53,382
Additions	286	150	—	—	436
Disposals	(110)	(9)	—	—	(119)
At December 31, 2023	33,882	5,901	13,916	—	53,699
Additions	603	36	—	—	639
Disposals	(546)	(169)	—	—	(715)
At December 31, 2024	33,939	5,768	13,916	—	53,623
Additions	3,330	93	197	3,041	6,661
Disposals	(144)	(7)	(82)	—	(233)
At December 31, 2025	37,125	5,854	14,031	3,041	60,051
DEPRECIATION					
At January 1, 2023	14,297	3,642	893	—	18,832
Charge for the year	6,233	1,005	2,638	—	9,876
Disposals	(54)	(6)	—	—	(60)
At December 31, 2023	20,476	4,641	3,531	—	28,648
Charge for the year	5,126	740	2,644	—	8,510
Disposals	(409)	(152)	—	—	(561)
At December 31, 2024	25,193	5,229	6,175	—	36,597
Charge for the year	4,146	133	2,616	—	6,895
Disposals	(56)	(6)	—	—	(62)
At December 31, 2025	29,283	5,356	8,791	—	43,430
CARRYING AMOUNT					
At December 31, 2023	13,406	1,260	10,385	—	25,051
At December 31, 2024	8,746	539	7,741	—	17,026
At December 31, 2025	7,842	498	5,240	3,041	16,621

The Company

	Machinery	Furniture and office equipment	Total
	RMB'000	RMB'000	RMB'000
COST			
At January 1, 2023	8,803	4,908	13,711
Additions	286	150	436
At December 31, 2023	9,089	5,058	14,147
Additions	201	36	237
Disposals	(157)	(169)	(326)
At December 31, 2024	9,133	4,925	14,058
Additions	404	24	428
Disposals	(138)	(7)	(145)
At December 31, 2025	9,399	4,942	14,341
DEPRECIATION			
At January 1, 2023	1,848	3,305	5,153
Charge for the year	1,673	763	2,436
At December 31, 2023	3,521	4,068	7,589
Charge for the year	1,620	540	2,160
Disposals	(81)	(152)	(233)
At December 31, 2024	5,060	4,456	9,516
Charge for the year	1,645	105	1,750
Disposals	(51)	(6)	(57)
At December 31, 2025	6,654	4,555	11,209
CARRYING AMOUNT			
At December 31, 2023	5,568	990	6,558
At December 31, 2024	4,073	469	4,542
At December 31, 2025	2,745	387	3,132

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Note:

The above items of property, plant and equipment, after taking into account the residual value, are depreciated on a straight-line basis at the following rates per annum:

Machinery	19.00%
Furniture and office equipment	19.00%-31.67%
Vehicles	19.00%

Impairment assessment

Given the Group has been making losses throughout the Track Record Period, the management of the Group concluded that there was impairment indicators for non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets. As the Group’s operation is highly integrated, the Group as a whole represents the lowest level at which the operating results is monitored for internal management purposes and is regarded as a single cash generating unit for the purpose of impairment assessment of non-financial assets.

The Group estimates the recoverable amounts of the Group as one cash generating unit based on the higher of fair value less costs of disposal and value in use. The carrying amount of the cash generating unit does not exceed the recoverable amount based on value in use and no impairment has been recognised.

17. INTANGIBLE ASSETS

The Group

	Software	Other	Total
	RMB’000	RMB’000	RMB’000
COST			
At January 1, 2023 and December 31, 2023, 2024 and 2025	2,985	25	3,010
AMORTISATION			
At January 1, 2023	225	25	250
Charge for the year	299	—	299
At December 31, 2023	524	25	549
Charge for the year	298	—	298
At December 31, 2024	822	25	847
Charge for the year	299	—	299
At December 31, 2025	1,121	25	1,146
CARRYING AMOUNT			
At December 31, 2023	2,461	—	2,461
At December 31, 2024	2,163	—	2,163
At December 31, 2025	1,864	—	1,864

The Company

	Software
	RMB’000
COST	
At January 1, 2023 and December 31, 2023 and 2024, 2025	963
AMORTISATION	
At January 1, 2023	94
Charge for the year	96
At December 31, 2023	190
Charge for the year	96
At December 31, 2024	286
Charge for the year	97
At December 31, 2025	383
CARRYING AMOUNT	

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	Software
	RMB’000
At December 31, 2023	773
At December 31, 2024	677
At December 31, 2025	580

Note: The above intangible assets have finite useful lives and are amortised on a straight-line basis over 10 years.

18. DEFERRED TAX

The Group

Deferred tax assets have not been recognised in respect of the following items:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Tax losses	814,938	975,691	1,113,923
Deductible temporary differences	7,813	15,076	10,370
	<u>822,751</u>	<u>990,767</u>	<u>1,124,293</u>

No deferred tax asset has been recognised in relation to such deductible temporary differences and tax losses due to the unpredictability of future profit streams.

According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Extending the Loss Carry-forward Period for High-tech Enterprises and Science and Technology Small and Medium-sized Enterprises” (Cai Shui [2018] No. 76), the accumulated tax losses of the Company, Shanghai Trunk and Tianjin Trunk, which are qualified as HNTE, will expire in 10 years. However, any new tax losses of Tianjin Trunk, which is no longer qualified as HNTE, will expire in 5 years since the end of 2024.

The unrecognised tax losses will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
2024	1	—	—
2025	—	—	—
2026	64	64	64
2027	9,005	8,823	8,823
2028	19,055	19,045	19,045
2029	34,074	48,398	48,398
2030	61,670	61,670	89,147
2031	182,880	182,880	182,880
2032	285,949	285,949	285,949
2033	222,240	222,240	222,240
2034	—	146,622	146,622
2035	—	—	110,755
	<u>814,938</u>	<u>975,691</u>	<u>1,113,923</u>

The Company

Deferred tax assets have not been recognised in respect of the following items:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Tax losses	609,826	735,758	829,814
Deductible temporary differences	7,674	11,616	4,771
	<u>617,500</u>	<u>747,374</u>	<u>834,585</u>

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No deferred tax asset has been recognised in relation to such deductible temporary difference and tax losses due to the unpredictability of future profit streams.

The unrecognised tax losses of the Company which is the HNTE, will expire in the next 10 years. The unrecognised tax losses will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	—	—	—
2025	—	—	—
2026	—	—	—
2027	2,438	2,438	2,438
2028	17,532	17,532	17,532
2029	29,135	29,135	29,135
2030	42,482	42,482	42,482
2031	144,445	144,445	144,445
2032	201,120	201,120	201,120
2033	172,674	172,674	172,674
2034	—	125,932	125,932
2035	—	—	94,056
	<u>609,826</u>	<u>735,758</u>	<u>829,814</u>

19. RIGHT-OF-USE ASSETS

The Group

	Leased properties	Leased vehicles	Total
	RMB'000	RMB'000	RMB'000
Carrying value			
At January 1, 2023	7,473	272	7,745
Additions	4,331	—	4,331
Termination of leases	(3,737)	—	(3,737)
Depreciation charge	(3,917)	(256)	(4,173)
At December 31, 2023	4,150	16	4,166
Additions	283	—	283
Depreciation charge	(2,247)	(16)	(2,263)
At December 31, 2024	2,186	—	2,186
Additions	13,660	14,120	27,780
Termination of leases	(541)	—	(541)
Depreciation charge	(3,394)	(3,530)	(6,924)
At December 31, 2025	<u>11,911</u>	<u>10,590</u>	<u>22,501</u>

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expense relating to short-term leases	153	110	473
Total cash outflow for leases	<u>5,159</u>	<u>2,547</u>	<u>6,308</u>

During the Track Record Period, the Group leases various vehicle and buildings for its operations. Lease contracts are entered into for fixed terms of 1-4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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The Company

	Leased properties	Leased vehicles	Total
	RMB'000	RMB'000	RMB'000
Carrying value			
At January 1, 2023	7,473	272	7,745
Termination of leases	(3,737)	–	(3,737)
Depreciation charge	(3,736)	(256)	(3,992)
At December 31, 2023	–	16	16
Depreciation charge	–	(16)	(16)
At December 31, 2024	–	–	–
Additions	11,058	14,120	25,178
Depreciation charge	(1,324)	(3,530)	(4,854)
At December 31, 2025	9,734	10,590	20,324

20. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	422	197	1,057
Work in progress	2,599	183	14,571
Finished goods	5,717	1,471	5,036
Less: impairment provision	–	–	977
	8,738	1,851	19,687

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	291	197	1,056
Work in progress	2,599	183	14,507
Finished goods	5,717	1,468	5,036
Less: impairment provision	–	–	977
	8,607	1,848	19,622

21. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	110,512	170,436	150,270
Notes receivables	6,277	4,220	10,000
Less: Allowance for credit losses	(1,312)	(3,134)	(4,785)
	115,477	171,522	155,485

As at January 1, 2023, carrying amount of trade receivables from contracts with customers amounted to RMB50,197,000.

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The following is an aged analysis of trade receivables presented based on dates of delivery of goods or rendering services.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 60 days	99,563	140,874	125,354
61-120 days	—	—	536
121-365 days	5,215	1,005	1,926
Above 1 year	5,734	28,557	22,454
Less: allowance for ECL	(1,312)	(3,134)	(4,785)
	<u>109,200</u>	<u>167,302</u>	<u>145,485</u>

As of December 31, 2023, 2024 and 2025, included in the Group’s trade receivable balances are debtors with an aggregate carrying amount of RMB10,949,000, RMB29,562,000 and RMB24,916,000 respectively which are past due as at the reporting dates. Those past due balances are not considered as in default as there has not been a significant change in credit quality and the amounts are considered recoverable.

Details of impairment assessment of trade receivables during the Track Record Period are set out in Note 37.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	103,332	143,375	67,893
Notes receivables	6,277	4,220	—
Less: Allowance for credit Losses	(1,215)	(2,752)	(3,630)
	<u>108,394</u>	<u>144,843</u>	<u>64,263</u>

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB37,427,000.

The following is an aged analysis of trade receivables presented based on dates of delivery of goods or rendering services.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 60 days	93,917	114,133	46,761
61-120 days	—	—	280
121-365 days	3,681	1,005	1,910
Above 1 year	5,734	28,237	18,942
Less: allowance for ECL	(1,215)	(2,752)	(3,630)
	<u>102,117</u>	<u>140,623</u>	<u>64,263</u>

Note: Majority of trade receivables as at December 31, 2023, 2024 and 2025 were generated from sales of autonomous driving solutions and provision of autonomous driving services to corporate customers. The Group generally grants a credit period of 60 days which are agreed with each of its corporate customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer’s financial condition and payment history with the Group.

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21B. TRANSFERS OF FINANCIAL ASSETS

The Group and the Company

As at December 31, 2023, 2024 and 2025, the Group’s and the Company’s notes receivables were transferred to banks or suppliers by discounting/endorsing on a full recourse basis. As the Group and the Company have not transferred the significant risks and rewards relating to notes receivables, they continued to recognise the full carrying amount of the notes receivables which amounted to nil, RMB3,700,000 and nil and related bank borrowings as at December 31, 2023, 2024 and 2025.

In addition, the Group also continued to recognise the full carrying amount of the notes receivables which amounted to RMB6,277,000, nil and RMB10,000,000, related trade payables as at December 31, 2023, 2024 and 2025, respectively.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Prepayments to suppliers and service providers . . .	14,022	8,183	11,527
Deposits paid to suppliers	2,892	2,691	4,994
Input value added tax recoverable	5,763	3,653	5,630
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	274	77	617
	<u>22,951</u>	<u>14,604</u>	<u>25,544</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Prepayments to suppliers and service providers . . .	5,268	7,644	9,887
Deposits paid to suppliers	1,853	1,718	3,278
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	252	74	289
	<u>7,373</u>	<u>9,436</u>	<u>16,230</u>

23. CONTRACT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Warranty retention receivables	3,518	4,044	2,472
Less: Impairment of contract assets	—	—	—
	<u>3,518</u>	<u>4,044</u>	<u>2,472</u>
Analyzed as:			
Non-current	623	2,316	129
Current	2,895	1,728	2,343
	<u>3,518</u>	<u>4,044</u>	<u>2,472</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Warranty retention receivables	2,930	3,456	2,472
Less: Impairment of contract assets	—	—	—
	2,930	3,456	2,472
Analyzed as:			
Non-current	35	2,316	129
Current	2,895	1,140	2,343
	2,930	3,456	2,472

Note:

As at January 1, 2023, the Group’s contract assets amounted to RMB993,000.

Contract assets, that are not expected to be settled within the Group’s normal operating cycle, are classified as current and non-current based on expected settlement dates.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group typically agrees to a retention period of six months to 2 years (the warranty period) for 5% of the contract value. This amount is included in contract assets until the end of the retention period as the Group’s entitlement to this final payment is conditioned on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables. Details of impairment assessment of contract assets during the Track Record Period are set out in Note 37.

24. CASH AND CASH EQUIVALENTS/TERM DEPOSITS/RESTRICTED BANK DEPOSITS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted bank deposits (Note i)	—	25,466	40
Term deposits (Note ii)	55,000	30,000	90,000
Cash and cash equivalents (Note iii)	74,138	64,044	166,968
	129,138	119,510	257,008

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted bank deposits (Note i)	—	25,466	40
Term deposits (Note ii)	55,000	30,000	90,000
Cash and cash equivalents (Note iii)	57,220	58,305	138,158
	112,220	113,771	228,198

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The Group’s bank balances and cash at 31 December 2023, 2024 and 2025 are denominated in RMB and USD. Certain bank balances of the Group that are denominated in currencies other than the functional currency of the relevant entities are set out below:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
USD	—	—	1,284
	—	—	1,284
	—	—	—

Notes:

- i As at December 31, 2024, the Group and the Company held restricted bank deposits of RMB25,466,000, (i) RMB24,640,000 primarily used as collaterals for issuing bank acceptance bills to settle equipment procurement payments, (ii) RMB40,000 was deposited for performance guarantee issued by banks, (iii) RMB786,000 restricted deposits for labour arbitration. As at December 31, 2025, the Group and the Company held restricted bank deposits of RMB40,000, which was deposited for performance guarantee issued by banks.

These balances are restricted from general use and are presented separately in the statement of financial position.

- ii The term deposits of the Group and the Company represented bank balances that earn interest at prevailing market rates during the Track Record Period. As of December 31, 2023, 2024 and 2025, the interest rate on these deposits ranging from 2.80% to 3.30%, from 3.10% to 3.30% and from 1.30% to 3.10%, respectively.
- iii The Group’s and the Company’s cash and cash equivalents are bank deposits that earned interest at prevailing daily deposit rates during the Track Record Period. As of December 31, 2023, 2024 and 2025, the annual interest rates on these bank deposits ranged from 0.20% to 1.55%, 0.10% to 1.55%, and 0.05% to 1.55%, respectively.

25. TRADE AND NOTES PAYABLES

The Group

Trade payables are non-interest bearing and the majority are with a credit term of 30 to 60 days.

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables	93,157	114,351	133,741
Notes payables	—	24,640	—
	93,157	138,991	133,741

An aged analysis of the Group’s trade payables, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	92,907	113,263	120,822
Over 1 year	250	1,088	12,919
	93,157	114,351	133,741

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables	90,568	89,738	22,490
Notes payables	—	24,640	—
	90,568	114,378	22,490

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An aged analysis of the Company’s trade payables, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	90,418	88,650	12,269
Over 1 year	150	1,088	10,221
	<u>90,568</u>	<u>89,738</u>	<u>22,490</u>

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accrued salaries	17,465	17,316	19,308
Other taxes payable	7,971	7,505	4,278
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,003	3,813	2,814
	<u>30,439</u>	<u>28,634</u>	<u>27,144</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accrued salaries	14,181	15,295	17,338
Other taxes payable	7,861	7,461	1,128
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	4,938	2,721	1,771
	<u>26,980</u>	<u>25,477</u>	<u>20,981</u>

27. LEASE LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	2,323	2,098	10,631
Within a period of more than one year but not exceeding two years	1,813	—	9,472
Within a period of more than two years but not exceeding three years	—	—	3,675
	<u>4,136</u>	<u>2,098</u>	<u>23,778</u>
Less: Amounts due for settlement within 12 months shown under current liabilities	<u>(2,323)</u>	<u>(2,098)</u>	<u>(10,631)</u>
Amounts due for settlement after 12 months shown under non-current liabilities	<u>1,813</u>	<u>—</u>	<u>13,147</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	—	—	9,751
Within a period of more than one year but not exceeding two years	—	—	8,563
Within a period of more than three years but not exceeding four years	—	—	3,209
	—	—	21,523
Less: Amounts due for settlement within 12 months shown under current liabilities	—	—	(9,751)
Amounts due for settlement after 12 months shown under non-current liabilities	—	—	11,772
	—	—	—

As at December 31, 2023 and 2024, the incremental annual borrowing rates applied to lease liabilities of the Group ranged from 3.74% to 4.30%, from 3.21% to 3.74%. As at December 31, 2025, the incremental annual borrowing rates applied to lease liabilities of the Group and the Company ranged from 3.23% to 3.43%.

28. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank borrowings	76,650	109,150	79,991
Bank borrowings relating to bills discounted with recourse	—	3,700	—
Other borrowings relating to sale-and-leaseback transactions	7,500	—	—
	84,150	112,850	79,991
	—	—	—

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Guaranteed	51,000	61,000	59,991
Guaranteed and secured	27,500	—	—
Unguaranteed and unsecured	5,650	51,850	20,000
	84,150	112,850	79,991
	—	—	—

Note:

As at December 31, 2023, the bank borrowing amounting to RMB20,000,000 was guaranteed by Beijing Haidian Science & Technology Enterprise Financing Guarantee Co., Ltd. (the “Guarantee Company”), with certain patent rights owned by the Company pledged to the Guarantee Company in return for its guarantee given to the Company, which remained effective until November 22, 2024. The bank borrowings amounting to RMB41,000,000 and RMB10,000,000 were guaranteed by Shanghai Trunk, a subsidiary, and Beijing Yizhuang International Financing Guarantee Co., Ltd., respectively.

As at December 31, 2024 and 2025, the bank borrowing amounting to RMB61,000,000 and RMB59,991,000, respectively, was guaranteed by Shanghai Trunk.

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The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The carrying amounts of the borrowings are repayable:			
Within one year	84,150	112,850	79,991

The exposure of the Group’s borrowings are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	17,500	15,815	79,991
Variable-rate borrowings	66,650	97,035	—
	<u>84,150</u>	<u>112,850</u>	<u>79,991</u>

The ranges of effective interest rates on the Group’s bank borrowings are as follows:

	As at December 31,		
	2023	2024	2025
Fixed-rate borrowings	4.45%-4.50%	1.41%-3.90%	2.27%-3.45%
Variable-rate borrowings	2.95%-4.50%	2.27%-3.45%	—

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank borrowings	76,650	109,150	79,991
Bank borrowings relating to bills discounted with recourse	—	3,700	—
Other borrowings relating to a sale-and-leaseback transaction	3,000	—	—
	<u>79,650</u>	<u>112,850</u>	<u>79,991</u>

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Guaranteed	51,000	61,000	59,991
Guaranteed and secured	23,000	—	—
Unguaranteed and unsecured	5,650	51,850	20,000
	<u>79,650</u>	<u>112,850</u>	<u>79,991</u>

Note:

As at December 31, 2023, the bank borrowing amounting to RMB20,000,000 was guaranteed by the “Guarantee Company”, with certain patent rights owned by the Company pledged to the Guarantee Company in return for its guarantee given to the Company, which remained effective until November 22, 2024. The bank borrowings amounting to RMB41,000,000 and RMB10,000,000 were guaranteed by Shanghai Trunk, a subsidiary, and Beijing Yizhuang International Financing Guarantee Co., Ltd., respectively.

As at December 31, 2024 and 2025, the bank borrowings amounting to RMB61,000,000 and RMB59,991,000, respectively, were guaranteed by Shanghai Trunk.

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The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The carrying amounts of the borrowings are repayable:			
Within one year	79,650	112,850	79,991

The exposure of the Company’s borrowings are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	13,000	15,815	79,991
Variable-rate borrowings	66,650	97,035	–
	<u>79,650</u>	<u>112,850</u>	<u>79,991</u>

The ranges of effective interest rates on the Company’s bank borrowings are as follows:

	As at December 31,		
	2023	2024	2025
Fixed-rate borrowings	4.45%-4.50%	1.41%-3.90%	2.27%-3.45%
Variable-rate borrowings	2.95%-4.50%	2.27%-3.45%	–

29. DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	<u>551</u>	<u>3,309</u>	<u>4,608</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	<u>509</u>	<u>331</u>	<u>164</u>

The Group received government grants in relation to certain R&D projects. These grants are mainly used for subsidizing the Group’s purchases of R&D equipment, which were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related equipment. In addition, some are used to compensate for future R&D expenses, which were recorded as deferred income and transferred to other income when the R&D expenses are incurred.

30. CONTRACT LIABILITIES

Contract liabilities, that are not expected to be settled within the Group’s normal operating cycle, are classified as current and non-current based on the Group’s earliest obligation to transfer goods or services to the customers. All contract liabilities of the Group and the Company are classified as current.

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The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of autonomous driving solutions	4,759	7,296	20,266

As at January 1, 2023, carrying amount of contract liabilities amounted to RMB10,003,000.

The following table shows how much of the Group’s revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities at beginning of the year	9,871	2,970	4,542

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of autonomous driving solutions	4,759	7,174	12,753

As at January 1, 2023, carrying amount of contract liabilities amounted to RMB476,000.

The following table shows how much of the Company’s revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities at beginning of the year	343	2,970	4,419

31. REDEMPTION LIABILITIES

The Group and the Company

Since the date of incorporation, the Company has completed several rounds of financing including Series Angel, Series Pre-A, Series A, Series A+, Series B-1, Series B-2, Series B-3, Series B-4 and Series B-5 in the way of capital increase of the Company and capital transfer from founders to investors.

Details of consideration received from and preferential rights granted to the aforementioned investors as at December 31, 2023 and 2024 and 2025 are set out below:

Series	Date of financing	Price per unit of paid-in capital (“Unit”)	Issued paid-in capital	Total consideration received
		RMB		RMB'000
Series Angel (Note i)	2017	150	200,000	30,000
Series Pre-A (Note ii)	2019	300	—	—
Series A	2018	1,000	108,600	108,600
Series A	2019	1,000	73,200	73,200
Series A+	2019	1,000	103,200	103,200
Series B-1	2021	2,335	65,484	152,880
Series B-2	2022	2,335	42,834	100,000
Series B-3 (Note iii)	2022	2,335	—	—
Series B-4	2023	2,368	21,111	50,000
Series B-4	2024	2,368	21,111	50,000
Series B-5	2025	2,508	103,678	260,000
Total			739,218	927,880

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Notes:

- (i) In September 2017, the Company issued 200,000 Units of paid-in capital to Series Angel investors at price of RMB150 per Unit, with a total consideration of RMB30,000,000. In October 2018, concurrently with the Series A investors’ subscription for new Units of paid-in capital, certain Series A investors acquired 41,500 Units shares transferred by the Series Angel investors at the Series A financing price.
- (ii) In September 2019, Tianjin Zhuxian Information Consulting Center (Limited Partnership) (“Tianjin Zhuxian”) transferred 31,125 Units of paid-in capital to designated Series Pre-A Investor at the price of RMB300 per Unit, for a total consideration of RMB9,338,000, while the redemption obligation rests with the Company.
- (iii) In November 2022, Tianjin Zhuxian transferred 12,850 Units of paid-in capital to Series B-3 Investor at a price of RMB2,335 per Unit, for a total consideration of RMB30,000,000, while the redemption obligation rests with the Company.

The key terms of the preferential rights granted to the abovementioned investors are summarized as follows:

(i) *Redemption right*

The investors excluding one shareholder holding 19,938 Series B-5 Units of paid-in capital (“Class I investors”), without reflecting the impact of the conversion into a joint stock limited liability company and the share subdivision completed as at December 31, 2025 as set out in Note 33, have the right to require the Company to repurchase their investments if:

- (a) A qualified [REDACTED] has not been consummated on the Stock Exchange market within the 48-months after the issuance date of the Series B-1 financing in September 2021. Pursuant to an amendment to the shareholder agreement dated October 25, 2023, the aforementioned 48-months qualified [REDACTED] deadline was extended to 60-months;
- (b) Any other investor(s) holding the put right exercises its/their sell option (“Put Right”);
- (c) There is a material breach of any transaction documents or material violation of applicable laws by any companies comprising in the Group or violation has caused a material adverse effect to the Group or the investors;
- (d) The founder in breach of the contractual covenants and commitment, including founders’ and the Company’s integrity requirement, material adverse effect on qualified [REDACTED] due to the competing business activities and other reasons of the founder leading to the failure of passing resolution for [REDACTED];
- (e) Other serious breaches of the contract occurred, and failed to correct after 30 days from the date of written notice requested by any investor.

The redemption price of Units of paid-in capital held by Class I investors shall be the sum of (A) one hundred percent of issue price of each round, (B) 10% simple annual interest of the corresponding issue price commencing from issue date and (C) all dividends declared and unpaid with respect to per series Units of paid-in capital with preferential rights then held by such investors.

The investors holding 19,938 Series B-5 Units of paid-in capital (“Class II investor”), without reflecting the impact of the conversion into a joint stock limited liability company and the share subdivision completed as at December 31, 2025 as set out in Note 33, is subject to terms substantially aligned with those of the Class I investors, with the exception of a redemption right that becomes exercisable if a qualified [REDACTED] has not consummated within 60 months from the date of its investment. Upon such event, the Company is required to repurchase the Units of paid-in capital held by Class II investors at a price of the sum of (A) one hundred percent of issue price, (B) 4.5% simple annual interest of the corresponding issue price commencing from issue date and (C) all dividends declared and unpaid with respect to per series Units of paid-in capital with preferential rights then held by such investors.

(ii) *Liquidation preferences*

In the event of a Legal Liquidation Event (refers to the liquidation, dissolution or closure of the Company) or a Deemed Liquidation Event (as defined in shareholder agreement), the distributable liquidation property (after satisfaction of all creditors’ claims, claims that may be preferred by law in a Legal Liquidation Event) shall be distributed in the amount equal to the higher of (1) 100% of the original investment principal, plus the interest accrued on the original investment amount at the annual simple rate of 10% calculated from the actual payment date of the original investment amount to the date on which the liquidation preference amount is fully paid, plus the declared but unpaid dividends; or (2) the distributable liquidation property can be distributed according to the equity proportion at that time, and in the priority order of Series B, Series A/A+, Series Pre-A, Series Angel.

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(iii) Anti-dilution right

If the Company increases its registered capital, other than for the purpose of implementing employee incentive plan, at a price lower than the price paid by the Anti-Dilution Right Holder (the Series Angel, Series Pre-A, Series A, Series A+, Series B-1, Series B-2, Series B-3, Series B-4 and Series B-5 investors with preferential rights) (the “New Low Financing”), the subscription price per Unit of paid-in capital invested by the Anti-dilution Right Holder in the Company will be adjusted.

The Anti-Dilution Right Holder has the right to require: (1) the Company to issue new Units of paid-in capital at nominal price or a minimum price permitted by applicable laws or (2) the Founder to transfer portion of the Company’s registered capital to such holder either (i) gratuitously, (ii) at a total price of RMB1.00, or (iii) at the minimum consideration permissible under then-effective PRC laws and permit the Anti-Dilution Right Holder to increase Units then, so that the equity interest held by the Anti-Dilution Right Holder can reach the adjusted subscription price per Unit.

During the last quarter of 2025, the Company has renegotiated the terms of preferential rights and entered into a series of supplemental agreements with all existing investors accordingly, which resulted in derecognition and re-recognition of redemption liabilities of the Company and of the Group. According to the latest supplemental agreement, the redemption rights have ceased to be effective and shall be automatically resumed upon the occurrence of the earliest of the following events: (i) the [REDACTED] is withdrawn by the Company; (ii) the [REDACTED] is not approved by the relevant regulatory authorities; or (iii) the [REDACTED] and the [REDACTED] is not completed within 18 months from the first submission of the [REDACTED] by the Company to the Stock Exchange (or such other period as may be agreed upon by the parties). Additionally, all the other preferential rights granted to the investors of shares with preferential rights shall be automatically terminated upon the completion of the [REDACTED]. Accordingly, these obligations have been recognised as redemption liabilities with an aggregate amount of RMB1,370,466,000, which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the investors) and subsequently measured at amortised cost.

Presentation and classification

The redemption rights granted to the investors constitute the Company’s obligations to repurchase its own equity instruments. These obligations were recognised as redemption liabilities which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the investors) and subsequently measured at amortised cost. The anti-dilution right is a derivative financial instrument measured at FVTPL, of which the fair value was immaterial as the Directors do not expect the Company to increase its capital or issue new shares at a price lower than those of previously capital increase or share issuance. The modification of qualified [REDACTED] deadline in 2023 was treated as non-substantive modification. The redemption liabilities were recalculated by discounting the modified contractual cash flows using the original effective interest rate. The adjustment resulted in a gain and was recognised in other gains and losses (Note 8). The redemption liabilities are classified as non-current liabilities as the Directors considered that the preferential rights would not be resumed within 12 months after each reporting dates.

The movements of redemption liabilities during the years ended December 31, 2023, 2024 and 2025 are set out below:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	790,990	893,380	1,021,219
New redemption liabilities	50,000	50,000	260,000
Interest expense	66,485	77,839	75,866
Gain on non-substantive modification of redemption liabilities	(14,095)	—	—
Derecognition of redemption liabilities	—	—	(1,351,271)
Re-recognition of redemption liabilities	—	—	1,370,466
At end of the year	<u>893,380</u>	<u>1,021,219</u>	<u>1,376,280</u>

32. EQUITY-SETTLED SHARE-BASED PAYMENTS

In September 2020, the share incentive plan was approved and adopted by the Group (the “Share Incentive Plan”). A total number of 261,170 share options were planned to be granted to the employees and the business consultants.

Since 2020, Tianjin Zhuxian and Tianjin Zhugan Information Consulting Center (Limited Partnership) (“Tianjin Zhugan”) were used as the employee incentive platforms to hold the ordinary shares under the Share Incentive Plan.

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The table below sets forth share-based payments expenses for share options during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share options	11,094	4,728	50

(a) Details of the Share Incentive Plan of the Group

As of September 2, 2020, October 20, 2020, April 11, 2022 and November 11, 2022, 260,070 share options, 500 share options, 200 share options and 400 share options under the Share Incentive Plan were granted, respectively. These share options will vest in accordance with the vesting schedules set out in the respective share award agreements, which are 25% of the awards vest upon each of the four anniversaries of the grant date or 100% of the awards vest on the fourth anniversary of the grant date without any performance requirements. Under the Share Incentive Plan the Company will arrange unified exercise of share options after the vesting of the share option.

In December 2025, a new share incentive plan was approved and adopted by the Group, and a total number of 6,726,500 share options were granted to the employees. These share options shall vest according to the following two kinds of schedules for different types of eligible participants, also with the performance condition for employees’ performance rating: (a) 40% of the awards vest on the completion date of the [REDACTED], 30% and 30% of the awards vest on the first and second anniversary of the completion date of the [REDACTED], respectively; (b) 70% of the awards vest on the completion date of the [REDACTED], 30% of the awards vest on the first anniversary of the completion date of the [REDACTED].

The following tables disclose the movements of the Share Incentive Plan during the Track Record Period:

	Number of share options*	Weighted average exercise price
		RMB
Outstanding as of January 1, 2023	25,862,000	0.28
Vested	(5,893,900)	0.29
Forfeited	(290,000)	0.30
Outstanding as of December 31, 2023	25,572,000	0.28
Vested	(7,715,300)	0.27
Forfeited	(115,000)	0.30
Outstanding as of December 31, 2024	25,457,000	0.28
Granted	6,726,500	0.30
Forfeited	(60,000)	0.30
Exercised	(25,397,000)	0.28
Outstanding as of December 31, 2025	6,726,500	0.30

* The shares and the shares for calculating the fair value per share option during the Track Record Period has been determined on the assumptions that the Company’s conversion into joint stock limited liability company and share subdivision as mentioned in Note 33 had been completed on/effective since incorporation of the Company.

As at December 31, 2023 and 2024 and 2025, the number of exercisable share options were 17,681,700 shares, 25,397,000 shares and nil, respectively.

(b) Fair value of share options granted

The valuation of the share option were conducted by the Directors with reference to valuation carried out by independent qualified professional valuer, Asia-Pacific Consulting and Appraisal Limited, who has appropriate qualifications and experiences in valuation of similar instruments. Options were priced using a binomial option pricing model. The risk-free interest and expected volatility used to evaluate the grant date fair value for the year ended December 31, 2022 and 2025 were ranging from 2.77%-2.82% and 57.41%-58.47%, 1.85% and 53.37%, respectively.

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33. PAID-IN CAPITAL/SHARE CAPITAL

As disclosed in Note 1, the Company was converted into a joint stock limited liability company upon approval by the Company’s shareholders general meeting held on November 7, 2025. The balance as at January 1, 2023 and December 31, 2023 and 2024 represented the paid-in capital of the Company prior to the conversion into a joint stock limited liability company. Share capital as at December 31, 2025 represented the issued share capital of the Company.

Paid-in Capital

Paid-in capital is generated from founders’ and investors’ capital injection. The excess of total consideration raised over paid-in capital was credited to the Company’s capital reserve (Note 34).

A summary of movements in the Company’s paid-in capital is as follows:

	RMB’000
As at January 1, 2023	1,393
Contribution from equity holders (Note i)	21
As at December 31, 2023	1,414
Contribution from equity holders (Note i)	21
As at December 31, 2024	1,435
Contribution from equity holders (Note i)	104
Conversion into a joint stock company (Note ii)	(1,539)
As at December 31, 2025	–
	<u>–</u>

	Number of shares	Total
		RMB’000
As at January 1, 2023 and December 31, 2023 and 2024	–	–
Issue of ordinary shares upon conversion into a joint stock company (Note ii)	15,392,180	15,392
Share subdivision (Note iii)	138,529,620	–
As at December 31, 2025	153,921,800	15,392
	<u>153,921,800</u>	<u>15,392</u>

Notes:

- (i) For the years ended December 31, 2023, 2024 and 2025, the Company issued 21,111 Series B-4 shares, 21,111 Series B-4 shares and 103,678 Series B-5 shares with preferential rights for consideration of RMB50,000,000, RMB50,000,000 and RMB260,000,000 in private placements.
- (ii) On November 7, 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion date were converted into approximately 15,392,180 ordinary shares at RMB1.00 each. The difference between the par value of new shares issued and nominal value of the issued paid-in capital and the accumulated loss of the Company as of July 31, 2025 was debited to the Company’s capital reserve.
- (iii) On 3 December 2025, it was resolved in the Company’s shareholders’ meeting that each share of the Company with nominal value of RMB1.00 was subdivided into ten shares with nominal value of RMB0.10 each immediately prior to the [REDACTED]. Upon completion of such share subdivision, the share capital of the Company, which is RMB15,392,180, was divided into 153,921,800 shares with nominal value of RMB0.10 per share.

34. RESERVES OF THE COMPANY

Below is a table showing the movements of the reserves of the Company during the Track Record Period:

	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB’000	RMB’000	RMB’000	RMB’000
As at January 1, 2023	(75,206)	75,335	(502,581)	(502,452)
Loss and total comprehensive expenses for the year	–	–	(182,112)	(182,112)
Capital injection by shareholders	49,979	–	–	49,979

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	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Recognition of redemption liabilities	(50,000)	—	—	(50,000)
Recognition of equity-settled share-based payments expense	—	11,094	—	11,094
As at December 31, 2023	(75,227)	86,429	(684,693)	(673,491)
Loss and total comprehensive expenses for the year	—	—	(162,138)	(162,138)
Capital injection by shareholders	49,979	—	—	49,979
Recognition of redemption liabilities	(50,000)	—	—	(50,000)
Recognition of equity-settled share-based payments expense	—	4,728	—	4,728
As at December 31, 2024	(75,248)	91,157	(846,831)	(830,922)
Loss and total comprehensive expenses for the year	—	—	(132,857)	(132,857)
Capital contribution from shareholders	259,896	—	—	259,896
Exercise of share options	98,153	(91,207)	—	6,946
Recognition of redemption liabilities	(260,000)	—	—	(260,000)
Derecognition of redemption liabilities (Note 31)	1,351,271	—	—	1,351,271
Conversion into a joint stock limited liability company (Note 33)	(958,821)	—	944,968	(13,853)
Re-recognition of redemption liabilities (Note 31)	(1,370,466)	—	—	(1,370,466)
Recognition of equity-settled share-based payments expense	—	50	—	50
As at December 31, 2025	(955,215)	—	(34,720)	(989,935)

35. RETIREMENT BENEFIT SCHEMES

The Group participates in defined contribution retirement schemes organized by the relevant local government authorities in the PRC. Certain employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at a percentage that is specified by the local government authorities.

The total expense recognised in profit or loss of approximately RMB8,472,000, RMB6,484,000 and RMB6,530,000 for the years ended December 31, 2023, and 2024 and 2025, respectively, representing contributions paid/payable to these plans by the Group at rates specified in the rules of the plans. As at December 31, 2023, 2024 and 2025, contributions of RMB669,000, RMB473,000 and RMB528,000, respectively, due in respect of those years then ended, had not been paid over to the plans. The above balance due in respect of those years then ended are paid subsequently.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities:

	At January 1, 2023	Financing cash flows	Non-cash changes			At December 31, 2023
	RMB’000	RMB’000	Interest accruals	Newly recognised	Termination/ modification	RMB’000
Lease liabilities (Note 27)	8,033	(4,789)	248	4,114	(3,470)	4,136
Redemption liabilities (Note 31)	790,990	50,000	66,485	—	(14,095)	893,380
Borrowings (Note 28)	57,450	24,223	2,477	—	—	84,150
	<u>856,473</u>	<u>69,434</u>	<u>69,210</u>	<u>4,114</u>	<u>(17,565)</u>	<u>981,666</u>

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	At January 1, 2024	Financing cash flows	Non-cash changes			At December 31, 2024
			Interest accruals	Newly recognised	Termination/ modification	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities (Note 27)	4,136	(2,437)	116	283	–	2,098
Redemption liabilities (Note 31)	893,380	50,000	77,839	–	–	1,021,219
Borrowings (Note 28)	84,150	25,237	3,463	–	–	112,850
	<u>981,666</u>	<u>72,800</u>	<u>81,418</u>	<u>283</u>	<u>–</u>	<u>1,136,167</u>

	At January 1, 2025	Financing cash flows	Non-cash changes			At December 31, 2025
			Interest accruals	Newly recognised	Termination/ modification	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities (Note 27)	2,098	(5,835)	492	27,780	(757)	23,778
Redemption liabilities (Note 31)	1,021,219	260,000	75,866	1,370,466	(1,351,271)	1,376,280
Borrowings (Note 28)	112,850	(36,325)	3,466	–	–	79,991
Accrued [REDACTED] . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>1,136,167</u>	<u>215,213</u>	<u>79,824</u>	<u>1,401,022</u>	<u>(1,352,028)</u>	<u>1,480,198</u>

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of the financial instruments

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets:			
Financial assets at amortised cost:			
– Trade and notes receivables	115,477	171,522	155,485
– Deposits and other receivables	3,166	2,768	5,611
– Amounts due from related parties	33	–	–
– Restricted bank deposits	–	25,466	40
– Term deposits	55,000	30,000	90,000
– Cash and cash equivalents	74,138	64,044	166,968
	<u>247,814</u>	<u>293,800</u>	<u>418,104</u>
Financial liabilities:			
Financial liabilities at amortised cost:			
– Trade and notes payables	93,157	138,991	133,741
– Other payables and accruals	5,003	3,813	3,558
– Borrowings	84,150	112,850	79,991
– Redemption liabilities	893,380	1,021,219	1,376,280
	<u>1,075,690</u>	<u>1,276,873</u>	<u>1,593,570</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets:			
Financial assets at amortised cost:			
– Trade and notes receivables	108,394	144,843	64,263
– Deposits and other receivables	2,105	1,792	3,567
– Amounts due from related parties	33	–	–
– Amounts due from subsidiaries	154,728	131,228	163,092
– Restricted bank deposits	–	25,466	40
– Term deposits	55,000	30,000	90,000
– Cash and cash equivalents	57,220	58,305	138,158
	<u>377,480</u>	<u>391,634</u>	<u>459,120</u>
Financial liabilities:			
Financial liabilities at amortised cost:			
– Trade and notes payables	90,568	114,378	22,490
– Other payables and Accruals	4,938	2,721	2,515
– Borrowings	79,650	112,850	79,991
– Amounts due to subsidiaries	–	10,557	10,972
– Redemption liabilities	893,380	1,021,219	1,376,280
	<u>1,068,536</u>	<u>1,261,725</u>	<u>1,492,248</u>

Financial risk management objectives and policies

The Group’s major financial instruments include trade and notes receivables, deposits and other receivables, amounts due from related parties, restricted bank deposits, term deposits and cash and cash equivalents, trade and notes payables, part of other payables and accruals, borrowings as well as redemption liabilities. The Company’s major financial instruments include trade and notes receivables, deposits and other receivables, amounts due from related parties, amounts due from subsidiaries, restricted bank deposits, term deposits and cash and cash equivalents, trade and notes payables, part of other payables and accruals, borrowings, amounts due to subsidiaries as well as redemption liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (that is, interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Company have foreign currency bank balances, which expose the Group to foreign currency risk. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents the directors’ assessment of the reasonably possible change in foreign currency rates.

Foreign currency sensitivity analysis

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group’s post-tax loss for the years ended 31 December 2023, 2024 and 2025 would have decreased/increased by nil, nil and RMB53,000, respectively. This is mainly attributable to the Group’s exposure to the foreign currency bank balance as at 31 December 2023, 2024 and 2025.

Market risk

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to restricted bank deposits (Note 24), lease liabilities (Note 27), fixed-rate bank borrowings (Note 28) and redemption liabilities (Note 31). The Group and the Company are also exposed to cash flow interest rate risk in relation to bank balances (Note 24) and variable-rate borrowings (Note 28). The Group’s and the Company’s cash flow interest rate risk are mainly concentrated on the fluctuation of interest rates on bank balances and loan prime rate arising from variable-rate borrowings. The Group and the Company manage interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The Directors will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range. The Group’s and the Company’s sensitivity to interest rate risk has been determined based on

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the exposure to interest rates for the borrowings. Bank balances, lease liabilities and redemption liabilities are excluded from sensitivity analysis as the Directors consider that the exposure of interest rate risk arising from bank balances, lease liabilities and redemption liabilities are insignificant.

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of each reporting period during the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period during the Track Record Period were outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s and also the Company’s post-tax loss for the year ended December 31, 2023 and 2024 and 2025 would increase/decrease by RMB333,250, RMB485,175 and nil respectively.

Credit risk

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and notes receivables, contract assets, deposits and other receivables, amounts due from related parties, term deposits, restricted bank deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group’s credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Restricted bank deposits, term deposit, and cash and cash equivalents

Credit risk on restricted bank deposits, term deposits and cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings. There has been no recent history of default in relation to these banks. The Group considers the instruments have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the Track Record Period.

Deposits and other receivables

In determining the ECL for deposits and other receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, for example the Group has considered the consistently low historical default rate and the strong financial capability of the debtor of deposits and other receivables and concluded that credit risk inherent in the Group’s outstanding deposits and other receivables is insignificant. The management of the Group has assessed that deposits and other receivables have not had a significant increase in credit risk since initial recognition, and the Group provided impairment based on 12m ECL. For the years ended December 31, 2023 and 2024 and 2025, the Group assessed the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

Amounts due from related parties

The Group regularly monitors the business performance of the related parties. For the years ended December 31, 2023, the Group assessed the ECL for amounts due from related parties are insignificant and thus no loss allowance is recognised.

Trade and notes receivables and contract assets

The Group has concentration of credit risk as 42.27%, 17.34% and 23.07% of total trade receivable was due from the Group’s largest customer and 87.80%, 62.92% and 69.53% of total trade receivable was due from the Group’s five largest customers for the years ended December 31, 2023 and 2024 and 2025, respectively.

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals, other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and summarise the credit-impaired information for further impairment assessment.

For trade and notes receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by reference to information relating to probability of default, loss given default of the respective counter parties and adjusted for forward-looking information that is available without undue cost or effort.

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The Group’s internal credit risk grading assessment comprises the following categories:

Internal credit rating	Descriptions	Trade and notes receivables/Contract assets	Other financial assets subject to ECL assessment
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or from external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group’s financial assets and contract assets which are subject to ECL assessment:

			Gross carrying amount		
			As at December 31,		
	Internal credit rating	12m or lifetime ECL	2023	2024	2025
			RMB’000	RMB’000	RMB’000
Financial assets at amortised cost					
Trade receivables (<i>Note 21</i>)	Low risk (<i>Note i</i>)	Lifetime ECL (not credit-impaired)	99,563	140,874	125,354
Trade receivables (<i>Note 21</i>)	Watch list (<i>Note i</i>)	Lifetime ECL (not credit-impaired)	10,919	19,643	13,997
Trade receivables (<i>Note 21</i>)	Doubtful (<i>Note i</i>)	Lifetime ECL (not credit-impaired)	–	9,889	10,889
Trade receivables (<i>Note 21</i>)	Loss (<i>Note i</i>)	Lifetime ECL (credit-impaired)	30	30	30
Notes receivables (<i>Note 21</i>)	Low risk (<i>Note i</i>)	Lifetime ECL (not credit-impaired)	6,277	4,220	10,000
Amounts due from related parties (<i>Note 39</i>)	Low risk	12m ECL	33	–	–
Deposits and other receivables (<i>Note 22</i>)	Low risk	12m ECL	3,166	2,768	5,611
Restricted bank deposits (<i>Note 24</i>)	Low risk	12m ECL	–	25,466	40
Term deposits (<i>Note 24</i>)	Low risk	12m ECL	55,000	30,000	90,000
Cash and cash equivalents (<i>Note 24</i>)	Low risk	12m ECL	74,138	64,044	166,968
Other item					
Contract assets (<i>Note 23</i>)	Low risk (<i>note i</i>)	Lifetime ECL (not credit-impaired)	3,518	4,044	2,472

Note i: For note receivables, the credit risk is limited because the counterparties are reputable banks or state-owned financial institutions with high credit ratings. There has been no recent history of default in relation to these financial institutions. The Group considers the instruments have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the Track Record Period.

Except for trade receivables relating to customers with significant doubt on collection of receivables, the Group determines the ECL on these items on a collective basis, grouped by debtors’ aging and industries.

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As part of the Group’s credit risk management, the Group uses debtors’ industry categories and aging as well as the nature of the debtors, to assess the impairment because the debtors consist of customers with common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using debtors’ aging and industries.

As at December 31, 2023			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB’000	RMB’000
Within 60 days	1.20	99,563	1,198
61-120 days	–	–	–
121-365 days	0.88	5,215	46
Above 1 year	0.67	5,704	38
		<u>110,482</u>	<u>1,282</u>

As at December 31, 2024			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB’000	RMB’000
Within 60 days	1.21	140,874	1,707
61-120 days	–	–	–
121-365 days	1.09	1,005	11
Above 1 year	1.67	18,638	311
		<u>160,517</u>	<u>2,029</u>

As at December 31, 2025			
	Average loss rate	Gross carrying amount	Impairment loss allowance
	%	RMB’000	RMB’000
Within 60 days	1.04	125,354	1,300
61-120 days	0.75	536	4
121-365 days	0.88	1,926	17
Above 1 year	1.45	11,535	167
		<u>139,351</u>	<u>1,488</u>

The grouping is regularly reviewed by the Directors to ensure relevant information about specific debtors is updated.

As at December 31, 2023 and 2024 and 2025, the ECL of trade receivables amounting to RMB30,000, RMB1,105,000 and RMB 3,297,000 has been assessed individually due to the significant doubt on collection of receivables.

The following table shows the movement in lifetime ECL of the Group that has been recognised for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB’000	RMB’000	RMB’000
At January 1, 2023	479	30	509
Impairment losses recognised	1,178	–	1,178
Impairment losses reversal	(375)	–	(375)
At December 31, 2023	<u>1,282</u>	<u>30</u>	<u>1,312</u>
Impairment losses recognised	2,569	–	2,569
Impairment losses reversal	(747)	–	(747)
At December 31, 2024	<u>3,104</u>	<u>30</u>	<u>3,134</u>
Impairment losses recognised	3,529	–	3,529
Impairment losses reversal	(1,878)	–	(1,878)
At December 31, 2025	<u>4,755</u>	<u>30</u>	<u>4,785</u>

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The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Liquidity risk

In the management of the liquidity risk, the management of the Group monitors and maintains a reasonable level of cash and cash equivalents which is deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. The Group relies on the cash generated from operating activities as the main source of liquidity. During the years ended December 31, 2023 and 2024 and 2025, the Group had net cash used in operating activities of RMB82,589,000, RMB86,452,000 and RMB80,452,000, respectively.

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, borrowings and new financing, the management believe that the Group will have sufficient financial resources to satisfy its future working capital in the next twelve months from the date of the report.

The following table details the Group’s remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interests and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023							
Financial liabilities							
Trade and notes payables . . .		93,157	–	–	–	93,157	93,157
Other payables and accruals . .		5,003	–	–	–	5,003	5,003
Borrowings . . .	3.24%-4.45%	85,318	–	–	–	85,318	84,150
Redemption liabilities . . .	7.61%-9.20%	–	–	1,111,797	–	1,111,797	893,380
Subtotal		183,478	–	1,111,797	–	1,295,275	1,075,690
Lease liabilities .	3.74%-4.30%	2,437	1,836	–	–	4,273	4,136
Total		185,915	1,836	1,111,797	–	1,299,548	1,079,826

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024							
Financial liabilities							
Trade and notes payables . . .		138,991	–	–	–	138,991	138,991
Other payables and accruals . .		3,813	–	–	–	3,813	3,813
Borrowings . . .	2.85%	114,451	–	–	–	114,451	112,850
Redemption liabilities . . .	7.61%-9.50%	–	1,173,274	–	–	1,173,274	1,021,219
Subtotal		257,255	1,173,274	–	–	1,430,529	1,276,873
Lease liabilities .	3.21%-3.74%	2,127	–	–	–	2,127	2,098
Total		259,382	1,173,274	–	–	1,432,656	1,278,971

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	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025							
Financial liabilities							
Trade and notes payables . . .		133,741	–	–	–	133,741	133,741
Other payables and accruals . .		3,558	–	–	–	3,558	3,558
Borrowings . . .	2.54%	80,674	–	–	–	80,674	79,991
Redemption liabilities . . .	7.61%-9.94%	–	1,407,162	–	61,256	1,468,418	1,376,280
Subtotal		217,973	1,407,162	–	61,256	1,686,391	1,593,570
Lease liabilities . . .	3.23%-3.43%	11,203	9,732	3,696	–	24,631	23,778
Total		<u>229,176</u>	<u>1,416,894</u>	<u>3,696</u>	<u>61,256</u>	<u>1,711,022</u>	<u>1,617,348</u>

Fair value measurements of financial instruments

The Directors consider that the carrying amount of the Group’s and the Company’s financial assets and financial liabilities that are not measured at fair value in the Historical Financial Information approximate their fair values.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group’s overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net assets, which includes the borrowings disclosed in Note 28, lease liabilities disclosed in Note 27, redemption liabilities disclosed in Note 31, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued paid-in capital, accumulated losses and capital reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new shares issues as well as raising, extension and early repayment of borrowings.

39. RELATED PARTY DISCLOSURES

(A) Name and relationship with related parties

Name	Relationship
北京智卡互聯科技有限公司 Beijing Zhika Internet Technology Co., Ltd*	Joint venture

* English name is for identification purpose only.

(B) Related party balances

The Group

Amounts due from related parties:

Name of related party	Nature of balances	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Beijing Zhika Internet Technology Co., Ltd* . . .	Non-trade (Note)	33	–	–
		<u> </u>	<u> </u>	<u> </u>

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The Company

Amounts due from related parties:

Name of related parties	Nature of balances	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Beijing Zhika Internet Technology Co., Ltd* . . .	Non-trade (Note)	33	–	–
Subsidiaries of the Company	Non-trade (Note)	154,728	131,228	163,092
		<u> </u>	<u> </u>	<u> </u>

Amounts due to related parties:

Name of related party	Nature of balances	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Subsidiaries of the Company	Non-trade (Note)	–	10,557	10,972
		<u> </u>	<u> </u>	<u> </u>

Note: Balances are unsecured, interest-free and repayable on demand.

(C) Remuneration of key management personnel of the Group and the Company

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and allowances	4,676	4,676	5,496
Performance-based bonuses	780	780	–
Social security costs, housing benefits and employee welfare	608	640	890
Equity-settled share-based payments	8,266	2,928	–
	<u>14,330</u>	<u>9,024</u>	<u>6,386</u>

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40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

During the Track Record Period, details of the subsidiaries directly held by the Company comprising the Group are set out below:

Name of subsidiaries	Place of establishment and principal place of business	Date of establishment	Issued and paid-in registered capital ’000	Proportion of ownership interest held by the Company				Principal activities
				As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at the date of this report	
				%	%	%	%	
Shanghai Trunk (<i>Note i</i>) 上海主線科技有限公司	The PRC	April 2, 2018	RMB5,000	100	100	100	100	Information transmission, software and information technology services
Shanghai Trunk Automotive Technology Co., Ltd 上海主線汽車科技有限公司	The PRC	November 23, 2021	RMB100 and nil	100	100	100	100	Scientific research and technical services
Tianjin Trunk (<i>Note i</i>) 天津主線科技有限公司	The PRC	December 14, 2017	RMB5,000	100	100	100	100	Scientific research and technical services
Tianjin Intelligent Transport New Energy Technology Co., LTD 天津智運新能源科技有限公司	The PRC	December 13, 2023	RMB100 and nil	100	100	100	100	Scientific research and technical services
Anhui Trunk Technology Co., Ltd (<i>Note ii</i>) 安徽主線科技有限公司	The PRC	October 13, 2017	RMB100 and nil	100	100	100	100	Scientific research and technical services
Anhui Trunk Supply Chain Technology Co., Ltd 安徽主線供應鏈科技有限公司	The PRC	October 19, 2021	RMB100 and nil	100	100	100	100	Information transmission, software and information technology services
Guangxi Intelligent Driving Research Center Co., Ltd 廣西智能駕駛研究中心有限公司	The PRC	March 29, 2022	RMB50,000 and RMB10,025	100	100	100	100	Scientific research and technical services
Hunan Trunk Technology Co., Ltd 湖南主線科技有限公司	The PRC	June 30, 2023	RMB100 and nil	100	100	100	100	Scientific research and technical services
Hubei Main Artificial Intelligence Technology Co. LTD 湖北主幹人工智能科技有限公司	The PRC	May 22, 2023	RMB100 and nil	100	100	100	100	Scientific research and technical services
Fujian Artificial Intelligence Innovation Centre Limited (<i>Note iv</i>) 福建主線人工智能創新中心有限公司	The PRC	November 1, 2023	RMB10,000 and nil	100	–	–	–	Scientific research and technical services
Jiangsu Trunk Commercial Vehicle Technology Co., LTD (<i>Note iii</i>) 江蘇主線商用車科技有限公司	The PRC	January 5, 2024	RMB50,000, and RMB32,531	–	100	100	100	Scientific research and technical services
Hong Kong Artificial Intelligence Innovation Centre Limited	Hong Kong	September 10, 2024	HKD10 and nil	–	100	100	100	Scientific research and technical services
Tangshan Intelligent Transport Internet Technology Co., LTD 唐山智運互聯科技有限公司	The PRC	November 15, 2023	RMB100 and nil	100	100	100	100	Scientific research and technical services

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Name of subsidiaries	Place of establishment and principal place of business	Date of establishment	Issued and paid-in registered capital	Proportion of ownership interest held by the Company				Principal activities
				As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at the date of this report	
				%	%	%	%	
Hubei Artificial Intelligence Innovation Centre Limited (Note v) 湖北人工智能技術創新中心有限公司	The PRC	November 18, 2022	RMB10,000 and nil	100	—	—	—	Scientific research and technical services
Xuzhou Trunk Intelligent Technology Co., Ltd 徐州主棧智能科技有限公司	The PRC	March 27, 2025	RMB120,000 and nil	—	—	100	100	Manufacturing
Hefei Trunk Technology Co., Ltd 合肥主線科技有限公司	The PRC	June 18, 2025	RMB10,000 and nil	—	—	100	100	Scientific R&D
Yulin Trunk Intelligent Technology Co., Ltd 榆林主線智道智能科技有限公司	The PRC	August 1, 2025	RMB50,000 and nil	—	—	100	100	Scientific R&D
Heilongjiang Trunk Intelligent Transport Technology Co., Ltd. 黑龍江主線智運科技有限公司	The PRC	December 26, 2025	RMB5,000 and nil	—	—	100	100	Information transmission, software and information technology services

* English name is for identification purpose only.

Notes:

All subsidiaries now comprising the Group are limited liability companies and have adopted December 31 as their financial year end date.

- The statutory financial statements of Shanghai Trunk and Tianjin Trunk for the years ended December 31, 2023 and 2024, were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Beijing Dongshen Certified Public Accountants LLP for the years ended December 31, 2023 and 2024, respectively.
- The statutory financial statements of Anhui Trunk Technology Co., Ltd for the years ended December 31, 2023 and 2024 were prepared in accordance with the relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Beijing Dongshen Certified Public Accountants LLP.
- The statutory financial statements of Jiangsu Trunk Commercial Vehicle Technology Co., LTD for the year ended December 31, 2024 were prepared in accordance with the relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Beijing Dongshen Certified Public Accountants LLP.
- Fujian Artificial Intelligence Innovation Centre Limited was deregistered on August 29, 2024.
- Hubei Artificial Intelligence Innovation Centre Limited was deregistered on July 15, 2024.

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No audited statutory financial statements were available for the rest of the subsidiaries comprising the Group during the Track Record Period as there was no requirement to issue audited accounts by the local authorities.

None of the subsidiaries comprising the Group had issued any debt securities at the end of each reporting period during the Track Record Period.

41. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of investments	22,137	52,698	52,698

42. CAPITAL COMMITMENTS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	—	—	1,980

43. SUBSEQUENT EVENTS

The Group has no significant events subsequent to the end of the Track Record Period.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group, the Company or any of its subsidiaries in respect of any period subsequent to December 31, 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix mainly provides investors with a summary of the Articles of Association. As the following information is in summary form, it does not include all information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the Company’s shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall be issued under the same terms and at the same price; the same price shall be paid for each of the shares subscribed for by subscribers.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], and relevant regulatory agencies’ provisions, and upon resolutions passed by the Shareholders’ meeting:

- (1) Issuing shares to non-specific investors;
- (2) Issuing shares to specific investors;
- (3) Distributing bonus shares to existing shareholders;
- (4) Converting capital reserve into share capital;
- (5) Other methods stipulated or approved by laws, administrative regulations, and the securities regulatory authority of the place where the Company’s shares are [REDACTED].

The Company may reduce its registered capital. The reduction of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, other relevant laws and regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the company’s shares are [REDACTED], and the Articles of Association.

Repurchase of Shares

The Company may not repurchase its own shares except under the following circumstances:

- (1) To reduce the Company’s registered capital;
- (2) To merge with another company holding the Company’s shares;
- (3) To use the shares for employee stock ownership plans or equity incentives;
- (4) To repurchase shares at the request of shareholders who object to the resolutions on the Company’s merger or division made by the Shareholders’ meeting;
- (5) To use the shares for conversion of convertible corporate bonds issued by the Company into shares;
- (6) As necessary to maintain the Company’s value and protect the interests of shareholders;
- (7) Any other circumstances stipulated in the laws, administrative regulations, regulatory rules of the place where the Company’s shares are [REDACTED].

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The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, regulations, the Hong Kong Listing Rules and the securities regulatory authority of the place where the Company’s shares are [REDACTED].

The Company shall repurchase its own shares through public centralized [REDACTED] under the circumstances specified in items (3), (5), and (6) above, subject to compliance with the requirements of the Hong Kong Listing Rules and other securities regulatory rules of the place where the company’s shares are [REDACTED]. The Company shall repurchase its own shares upon a resolution of the Shareholders’ meeting under the circumstances specified in items (1) and (2) above; the Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (3), (5), and (6) above, provided that it complies with the provisions of the Articles of Association or as authorized by the Shareholders’ meeting.

After the Company repurchases its own shares, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (1) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (2) and (4) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (3), (5), and (6) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

Transfer of Shares

Shares issued before the Company’s [REDACTED] shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED] on the stock exchange.

Directors and senior management members of the Company shall report to the Company their shareholdings and any changes therein. During their term of office determined upon taking office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED]. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If the Hong Kong Listing rules and relevant regulations of the securities regulatory authority of the place where the Company’s shares are [REDACTED] have other provisions on the transfer restrictions of the Company’s shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

Shareholders

The Company shall establish a register of members based on the certificates provided by the securities registration and clearing authorities. The register of members is conclusive evidence of shareholders’ ownership of the Company’s shares. Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (1) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (2) To request to convene, summon, preside over, attend or appoint shareholder agents to attend the shareholders’ meeting and exercise corresponding voting rights in accordance with laws;

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SUMMARY OF ARTICLES OF ASSOCIATION

- (3) To supervise the Company's operations and make suggestions or inquiries;
- (4) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, relevant provisions of the securities regulatory authority and the Articles of Association;
- (5) To inspect and copy the Articles of Association, register of members, minutes of Shareholders' meetings, resolutions of the Board of Directors and financial reports; qualified shareholders may inspect accounting books and vouchers of the Company;
- (6) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (7) To request the Company to acquire their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (8) Other rights stipulated by laws, administrative regulations, departmental rules, the Articles of Association and relevant regulations of the securities regulatory authority of the place where the Company's shares are [REDACTED].

If the content of the resolutions of the Company's Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions.

If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Shareholders of the Company shall bear the following obligations:

- (1) To comply with laws, administrative regulations and the Articles of Association;
- (2) To pay the share price according to the shares they subscribe for and the method of subscription;
- (3) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (4) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;
- (5) Other obligations stipulated by laws, administrative regulations, and the Articles of Association.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company consists of all shareholders. The Shareholders' meeting is the Company's organ of authority and shall exercise the following powers according to law:

- (1) To elect and replace Directors and decide on matters related to Directors' remuneration;

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- (2) To consider and approve the Board of Directors’ report;
- (3) To consider and approve the Company’s profit distribution plan and loss recovery plan;
- (4) To make resolutions on the Company’s increase or decrease of registered capital;
- (5) To make resolutions on the issuance of corporate bonds;
- (6) To make resolutions on the Company’s merger, division, dissolution, liquidation, or change of corporate form;
- (7) To amend the Articles of Association;
- (8) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company’s audit business;
- (9) To consider and approve the guarantee matters stipulated in Article 41 of the Articles of Association;
- (10) To consider and approve matters related to the Company’s purchase or sale of major assets exceeding 30% of the Company’s latest audited total assets within one year;
- (11) To consider equity incentive plans;
- (12) To consider other matters that should be decided by the Shareholders’ meeting as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, relevant regulations of the securities regulatory authority of the place where the Company’s shares are [REDACTED], or the Articles of Association;

The Shareholders’ meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders’ meeting:

- (1) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries reach or exceed 50% of the latest audited net assets;
- (2) Any guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;
- (3) Any guarantee provided by the Company to others within one year with a guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (4) Any guarantee provided to a party with a debt-to-asset ratio exceeding 70%;
- (5) Any single guarantee with an amount exceeding 10% of the latest audited net assets;
- (6) Any guarantee provided to shareholders, actual controllers, and their connected parties;
- (7) Any guarantee required to be considered and approved by the Shareholders’ meeting in accordance with laws, regulations, regulatory documents, the Hong Kong Listing Rules, regulatory rules of the stock exchange where the Company’s shares are [REDACTED], or the Articles of Association.

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Where the Company provides a guarantee for its shareholders, actual controllers, or their connected parties, such shareholders or shareholders controlled by the actual controllers shall not participate in the voting on such matters, and the voting shall be approved by a majority of the voting rights held by other shareholders attending the meeting.

The Shareholders’ meeting consists of annual Shareholders’ meetings and extraordinary Shareholders’ meetings. The annual Shareholders’ meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders’ meeting within two months from the date of occurrence:

- (1) When the number of Directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;
- (2) When the Company’s uncovered losses reach one-third of the total share capital;
- (3) When shareholders who individually or jointly hold more than 10% of the Company’s shares request it;
- (4) When the Board of Directors deems it necessary;
- (5) When the Audit Committee proposes to convene;
- (6) Other circumstances stipulated by laws, administrative regulations, rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association.

Convention of Shareholders’ Meetings

The Shareholders’ meeting shall be convened by the Board of Directors in a timely manner within the specified period. With the approval of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders’ meeting. For the proposal of the independent non-executive Directors to convene the extraordinary Shareholders’ meeting, the Board of Directors shall, in accordance with the laws, administrative regulations and the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], and provisions of the Articles of Association, provide written feedback on whether or not to convene the extraordinary Shareholders’ meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders’ meeting, it shall issue a notice of convening the Shareholders’ meeting within five days after making the resolution of the Board of Directors; if the Board of Directors does not agree to convene an extraordinary Shareholders’ meeting, it shall explain the reasons.

The Audit Committee shall be entitled to propose to the Board of Directors to convene an extraordinary Shareholders’ meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations, the Hong Kong Listing Rules, the regulatory rules of the stock exchange where the Company’s shares are [REDACTED], and provisions of the Articles of Association, give a written reply on whether or not to convene the extraordinary Shareholders’ meeting within 10 days after receipt of the proposal. If the Board of Directors agrees to convene the extraordinary Shareholders’ meeting, it shall serve a notice of such meeting within 5 days after the resolution of the Board of Directors is made. In the event of any change to the original proposal set forth in the notice, the consent of the Audit Committee shall be obtained. If the Board of Directors does not agree to hold the extraordinary

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Shareholders' meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary Shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

If the shareholder(s) severally or jointly holding 10% or more shares (excluding treasury shares) of the Company request the Board of Directors to convene an extraordinary Shareholders' meeting, the shareholder(s) shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations, the Hong Kong Listing Rules, the regulatory rules of the stock exchange where the Company's shares are [REDACTED], and provisions of the Articles of Association, give a written reply on whether or not to convene the extraordinary Shareholders' meeting within 10 days after receipt of the proposal. If the Board of Directors agrees to convene the extraordinary Shareholders' meeting, it shall serve a notice of such meeting within five days after the resolution of the Board of Directors is made. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board of Directors does not agree to hold the extraordinary Shareholders' meeting, or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or more shares (excluding treasury shares) of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary Shareholders' meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary Shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the Shareholders' meeting within the term stipulated, the Audit Committee shall be deemed as failing to convene and preside over the Shareholders' meeting. The shareholder(s) severally or jointly holding 10% or more shares (excluding treasury shares) of the Company for 90 consecutive days or more may convene and preside over such meeting by itself/themselves.

Notice of Shareholders' Meetings

The convener shall notify all shareholders of an annual Shareholders' meeting 20 days before the meeting, and notify all shareholders of an extraordinary Shareholders' meeting 15 days before the meeting. When calculating the advance notice period, the day on which the meeting is held shall not be included.

The notice of the Shareholders' meeting shall set forth the following particulars:

- (1) time, place and duration of the meeting;
- (2) matters and proposals submitted to the meeting for consideration and approval;
- (3) statement made in distinct words: that all shareholders shall have the right to attend the Shareholders' meeting and may authorize a proxy in writing to attend such meeting and participate in voting, who is not necessarily a shareholder of the Company;
- (4) the share registration date for the shareholders who are entitled to attend the Shareholders' meeting;
- (5) name and telephone number of the standing contact person of the meeting;
- (6) the voting time and voting procedures via internet or other methods;
- (7) other matters required by laws, regulations, departmental rules, the Hong Kong Listing Rules, the regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

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The notices and supplementary notices of Shareholders’ meeting shall fully and completely disclose all specific contents of all proposals.

Proposals of the Shareholders’ Meeting

The content of the proposals shall fall within the scope of the Shareholders’ meeting’s authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, the regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association.

When the Company convenes a Shareholders’ meeting, the Board of Directors, the Audit Committee, and shareholders severally or jointly holding more than 1% of the Company’s shares have the right to submit proposals to the Company. Shareholders severally or jointly holding more than 1% of the Company’s share may submit temporary proposals in writing to the convener 10 days before the Shareholders’ meeting. The convener shall issue a supplementary notice of the Shareholders’ meeting within 2 days after receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders’ meeting for review. However, temporary proposals that violate laws, administrative regulations, the securities regulatory authorities of the place where the Company’s shares are [REDACTED] or the Articles of Association, or do not fall within the scope of the Shareholders’ meeting’s authority, shall be excluded.

Except for the foregoing circumstances, the convener shall not modify the proposals already listed in the notice of the Shareholders’ meeting or add new proposals after issuing the notice of the Shareholders’ meeting. Proposals not listed in the notice of the Shareholders’ meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders’ meeting.

Proxy for Shareholders’ Meeting

Shareholders may attend Shareholders’ Meetings in person or appoint a proxy to attend and vote on their behalf.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if a proxy is appointed to attend the meeting, such proxy shall present his/her valid ID card and a power of attorney from the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present his/her ID card and valid proof of his/her legal representative status; the proxy attending the meeting shall present his/her ID card and a legal written power of attorney issued by the legal representative of the corporate shareholder.

If the shareholder is a Recognized Clearing House (or its proxy) as defined in the relevant regulations formulated by Hong Kong from time to time, the shareholder may authorize its proxy or one or more persons it deems appropriate to act as its representative at Shareholders’ meeting (and the creditors meeting); however, if more than one person is authorized, the power of attorney shall specify the number and category of shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the Recognized Clearing House. The authorized person may attend the meetings on behalf of the Recognized Clearing House (or its proxy) (without presenting shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall exercise the legal rights equivalent to those enjoyed by other shareholders, including the right to speech and vote, as if the person were an individual shareholder of the Company.

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The power of attorney issued by the shareholder for appointing a proxy to attend the Shareholders’ meeting shall specify the contents required by relevant laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the company’s shares are [REDACTED], and the Articles of Association.

Voting at the Shareholders’ Meeting

Resolutions of the Shareholders’ meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders’ meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. A special resolution of the Shareholders’ meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The following matters shall be passed by the Shareholders’ meeting as ordinary resolutions:

- (1) The work report of the Board of Directors;
- (2) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (3) The appointment and dismissal of board members and their remuneration and payment methods;
- (4) Other matters except those that, as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association, shall be passed as a special resolution.

The following matters shall be passed by the Shareholders’ meeting as special resolutions:

- (1) The increase or decrease of the Company’s registered capital;
- (2) The division, merger, dissolution, and liquidation of the Company;
- (3) Amendments to the Articles of Association;
- (4) The Company’s purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company’s latest audited total assets within one year;
- (5) Equity incentive plans;
- (6) Other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the listing rules of the place where the Company’s shares are [REDACTED], or the Articles of Association, as well as matters that the Shareholders’ meeting deems to have a significant impact on the Company and shall be passed as a special resolution.

Shareholders (or its proxy) shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote, unless individual shareholders are required by the Hong Kong Listing Rules to waive their voting rights on certain matters.

According to the Hong Kong Listing Rules, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for or against a resolution, they shall waive their voting rights or vote in accordance with such provisions. The votes cast by such shareholders or their representatives in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

The Company’s own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders’ meeting.

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DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company's shares are [REDACTED], and the Articles of Association until the newly elected Directors assume office. A Director may also hold the senior management positions, but the total number of Directors who also hold the senior management positions or directors appointed by employee representatives shall not exceed half of the total number of Directors of the Company.

Chairman of the Board

The Board of Directors shall have one chairman, who shall be elected by a majority vote of all Directors.

The chairman shall exercise the following powers and duties:

- (1) Presiding over the Shareholders' meeting and convening and presiding over board meetings;
- (2) Supervising and inspecting the implementation of board resolutions;
- (3) Signing important documents of the Board of Directors;
- (4) Exercising special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently reporting such activities to the Board of Directors of the Company and the Shareholders' meeting, in the event of any urgent situation due to force majeure such as catastrophic natural disasters;
- (5) Other powers and duties granted by the Board of Directors.

If the chairman of the Company is unable or fails to perform his duties, a Director elected by more than half of the Directors shall perform his duties.

Board of Directors

The Board of Directors shall consist of seven to nine directors, including four executive directors and several non-executive directors/independent non-executive directors.

The Board of Directors shall exercise the following powers and duties:

- (1) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;
- (2) Implementing the resolutions of the Shareholders' meeting;
- (3) Deciding on the Company's business plans and investment proposals;
- (4) Formulating the Company's profit distribution plans and loss recovery plans;

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- (5) Formulating plans for the Company’s increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (6) On the premise of complying with the securities regulatory rules of the place where the company’s shares are [REDACTED], drafting plans for major acquisitions of the Company, repurchases of the Company’s shares, mergers, divisions, dissolution, or changes in the Company’s form;
- (7) Deciding on the Company’s matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorized by the Shareholders’ meeting;
- (8) Deciding on the establishment of the Company’s internal management structure;
- (9) Appointing or dismissing the Company’s general manager and Board secretary, and determining their remuneration and reward (or punishment); based on the general manager’s nomination, appointing or dismissing other senior management members of the Company, and determining their remuneration and reward (or punishment);
- (10) Formulating the Company’s basic management systems;
- (11) Drafting amendments to the Articles of Association;
- (12) Managing the Company’s information disclosure matters;
- (13) Proposing to the Shareholders’ meeting the appointment or replacement of the accounting firm auditing the Company;
- (14) Reviewing the work reports of the general manager of the Company and inspecting the general manager’s work;
- (15) Other powers and duties stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association.

The Board of Directors shall hold at least four regular meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting.

Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

The notification method for convening an extraordinary board meeting by the Board of Directors is: by fax, email, phone, or text message. The notification deadline is five days before the convening of the extraordinary board meeting.

If the situation is urgent and an extraordinary meeting of the Board of Directors needs to be convened as soon as possible, the meeting notice can be issued at any time by phone or other verbal means, but the convener should make an explanation at the meeting.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

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Board meetings shall be attended by Directors in person. If a Director is unable to attend, he/she may appoint another Director in writing to attend on his/her behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director’s rights within the scope of authority. If a Director neither attends the board meeting nor appoints a proxy to attend, he/she shall be deemed to have waived his/her voting rights at that meeting.

Audit Committee under the Board

The Company’s Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall be composed of three Directors who do not hold senior management positions in the Company, with independent non-executive directors accounting for the majority. The chairperson of the Committee shall be an independent non-executive Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

- (1) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (2) Appointment or dismissal of the accounting firm auditing the listed company;
- (3) Appointment or dismissal of the listed company chief financial officer;
- (4) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (5) Other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, the regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the convener deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid.

Other Special Committees under the Board

The Board of Directors of the Company shall establish other special committees, such as the Nomination Committee and Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these special committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

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SENIOR MANAGEMENT MEMBERS

The Company shall have one manager, who shall be appointed or removed by the Board of Directors. The General Manager, Secretary of the Board of Directors, Financial Officer, Chief Executive Officer, Chief Technology Officer, Chief Product Officer, and President of the Qianzhan Research Academy are senior management members of the company.

The term of office of the general manager shall be three years and may be re-appointed. The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

- (1) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (2) Implementing the Company's annual business plans and investment proposals;
- (3) Drafting proposals for the establishment of the Company's internal management structure;
- (4) Drafting the Company's basic management systems;
- (5) Formulating the Company's specific regulations;
- (6) Proposing to the Board of Directors the appointment or dismissal of the Financial Officer, Chief Executive Officer, Chief Technology Officer, Chief Product Officer, and President of the Qianzhan Research Academy and any other senior management member of the Company;
- (7) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;
- (8) Other powers and duties granted by the Articles of Association or the Board of Directors.

The general manager shall attend Board meetings.

The Qualifications and Obligations of Directors and Senior Management Members of the Company

Directors of the Company shall be natural persons. A person in any of the following circumstances may not serve as the Company's Director and senior management member:

- (1) A person who is of civil incompetence or limited civil competence;
- (2) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, or who has been deprived of his/her political rights due to criminal offense, where less than five years have elapsed since the sentence was served; and not more than two years have elapsed since the date of the expiration of the probation period if probation is announced;
- (3) A person who served as the director, factory manager or general manager of a company or an enterprise which has become insolvent and has been liquidated and who was personally liable for the insolvency of such company or enterprise, and where less than three years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;

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- (4) A person who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of law and who was personally liable for such violation, where less than three years have elapsed since the date of the revocation of business license and closure, as ordered, of such company or enterprise;
- (5) A person who is listed as a defaulter by the people's court since he/she has a substantial amount of personal debts due and unsettled;
- (6) A person who is prohibited from participating in the securities market by the CSRC and such barring period has not elapsed;
- (7) A person who is publicly determined by a stock exchange as unsuitable to serve as a director or senior management member of a listed company with a period yet to be expired;
- (8) Other circumstances stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, or the regulatory rules of the place where the Company's shares are [REDACTED].

If the election or appointment of a Director is in violation of the foregoing provisions, such election, appointment or employment shall be invalid. If any of the aforementioned circumstances occurs during the period of employment of a Director, the Company shall dismiss the Director from his/her duties.

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities. If the Hong Kong Listing Rules or regulatory provisions of the place where the Company's shares are [REDACTED] prescribe otherwise, such provisions shall prevail.

The company shall prepare financial accounting reports within four months from the end of each fiscal year and have them audited by an accounting firm in accordance with the law. The company shall prepare a semi annual financial accounting report within two months from the end of the first six months of each fiscal year.

The aforesaid financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, relevant regulations of the securities regulatory authority of the place where the Company's shares are [REDACTED].

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's funds shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above.

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After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders’ meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association.

If the Shareholders’ meeting violates the PRC Company Law or the Articles of Association by distributing profits to shareholders, the shareholders shall return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation.

The Company’s own shares held by the Company shall not participate in the distribution of profits.

The Company’s reserve funds shall be used to cover the Company’s losses, expand the Company’s production and operation, or be converted into additional registered capital of the Company. When using reserve funds to cover the Company’s losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations.

When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company’s registered capital before the conversion.

After the profit distribution plan has been resolved at the Shareholders’ meeting of the Company or after the Board of the Company has formulated a specific plan based on the conditions and upper limit for the next interim dividend distribution approved by the Shareholders’ meeting, the dividend (or share) distribution shall be completed by the board of the Company within two months or within the period prescribed by Hong Kong Stock Exchanges, whichever is earlier, after the Shareholders’ meeting.

Internal Audit

The Company shall implement an internal audit system, staffed by professional audit personnel, and conduct internal audit supervision on the company’s financial income and expenditure and economic activities.

The internal audit system of the company and the responsibilities of auditors shall be implemented after approval by the Board of Directors. The audit leader is responsible to the Board of Directors and reports on their work.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law, the Hong Kong Listing Rules or regulatory provisions of the place where the Company’s shares are [REDACTED], to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year, and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders’ meeting of the Company.

The Company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

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Merger, Division, Capital Increase, and Capital Reduction of the Company

The Company's merger can be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be assumed by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it shall prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the company registration authority in accordance with the law; when the Company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (1) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

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- (2) The Shareholders' meeting resolves to dissolve the Company;
- (3) The Company needs to be dissolved due to a merger or division;
- (4) Its business license is legally revoked, or it is ordered to close, or revoked;
- (5) If the Company encounters serious difficulties in operation and management, and continuing to exist will cause significant losses to the interests of shareholders, which cannot be resolved through other means, shareholders holding more than 10% of the voting rights of the Company may request the people's court to dissolve the company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (1) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;
- (2) Notifying and making public announcements to creditors;
- (3) Handling the Company's unfinished business related to the liquidation;
- (4) Paying off the taxes owed and the taxes incurred during the liquidation process;
- (5) Cleaning up claims and debts;
- (6) Distributing the remaining assets after the Company's debts are settled;
- (7) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation.

After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets of the Company shall be distributed to shareholders.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the foregoing provisions.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

After cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company’s assets are insufficient to settle its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law.

After the people’s court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people’s court.

After the Company’s liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders’ meeting or the people’s court for confirmation, and to the company registration authority to apply for deregistration of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

- (1) After the PRC Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED] are amended, the provisions of the Articles of Association conflict with the amended provisions;
- (2) The Company’s circumstances change and are inconsistent with the matters recorded in the Articles of Association;
- (3) The Shareholders’ meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders’ meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

If the amendment of the Articles of Association involves information required to be disclosed by laws or regulations, it shall be announced in accordance with regulations.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established as a limited liability company in the PRC on March 16, 2017 and was converted into a joint stock company with limited liability on November 12, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered capital of the Company was RMB15,392,180.

Our principal place of business in Hong Kong is at Room 1920, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 5, 2025. Mr. Zhang Tianlei and Ms. Pau So Yi has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the Articles of Association is set out in Appendix III.

2. Changes in Share Capital

Save as disclosed in “History, Development and Corporate Structure — [REDACTED] Investments”, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Changes in Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in “History, Development and Corporate Structure” and Note 40 to the Accountants’ Report as set out in Appendix I to this document.

The following subsidiaries have been incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital
Yulin Zhuxian Intelligent Technology Co., Ltd. (榆林主線智道智能科技有限公司)	PRC	August 1, 2025	RMB50,000,000
Xuzhou Trunk	PRC	March 27, 2025	RMB120,000,000
Hefei Trunk	PRC	June 18, 2025	RMB10,000,000
Hong Kong Artificial Intelligence Innovation Centre Limited	Hong Kong	September 10, 2024	HK\$10,000
Heilongjiang Zhuxian Intelligent Transport Technology Co., Ltd. (黑龍江主線智運科技有限公司)	PRC	December 26, 2025	RMB5,000,000
Ningxia Zhuxian Technology Co., Ltd. (寧夏主線科技有限公司)	PRC	April 7, 2026	RMB5,000,000

The following subsidiaries’ share capital was altered within two years immediately preceding the date of this document:

On August 1, 2024, the share capital of Hunan Trunk Technology Co., Ltd. (湖南主線科技有限公司) decreased from RMB10 million to RMB100,000.

On August 8, 2024, the share capital of Tianjin Intelligent Transport New Energy Technology Co., Ltd. (天津智運新能源科技有限公司) decreased from RMB10 million to RMB100,000.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

On August 8, 2024, the share capital of Tangshan Intelligent Transport Internet Technology Co., Ltd. (唐山智運互聯科技有限公司) decreased from RMB10 million to RMB100,000.

On August 19, 2024, the share capital of Anhui Trunk Supply Chain Technology Co., Ltd. (安徽主線供應鏈科技有限公司) decreased from RMB20 million to RMB100,000.

On August 22, 2024, the share capital of Anhui Trunk Technology Co., Ltd. (安徽主線科技有限公司) decreased from RMB5 million to RMB100,000.

On August 22, 2024, the share capital of Hubei Main Artificial Intelligence Technology Co., Ltd. (湖北主幹人工智能科技有限公司) decreased from RMB10 million to RMB100,000.

On October 8, 2024, the share capital of Shanghai Trunk Automotive Technology Co., Ltd. (上海主線汽車科技有限公司) decreased from RMB5 million to RMB100,000.

On April 28, 2025, the share capital of Anhui Trunk Technology Co., Ltd. (安徽主線科技有限公司) increased from RMB100,000 to RMB10 million.

4. Resolutions of our Shareholders

On December 3, 2025, resolutions of our Company were passed by the Shareholders that, among other things, conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in “Structure of the [REDACTED] — Conditions of the [REDACTED]” and pursuant to the terms set out therein:

- (a) the issue by the Company of H Shares with a nominal value of RMB0.10 each and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be [REDACTED] shall not be more than [REDACTED] of the total issued share capital of our Company as enlarged by the [REDACTED] before the exercise of the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED] of the number of H Shares [REDACTED] pursuant to the [REDACTED];
- (c) subject to the filing with CSRC is completed, upon completion of the [REDACTED], all [REDACTED] will be [REDACTED] into H Shares;
- (d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and the [REDACTED] of H Shares on the Hong Kong Stock Exchange; and
- (e) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED].

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

- (a) the [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
1.	主 线 科 技	Hong Kong	The Company	12	306914676	2025-05-29
2.	主线	PRC	The Company	7	26194271	2018-09-07
3.	主线	PRC	The Company	9	26194256	2018-11-28
4.	主线	PRC	The Company	12	26189537	2018-09-07
5.	主线	PRC	The Company	37	26183583	2018-09-07
6.	主线	PRC	The Company	39	26189185	2018-09-07
7.	zhuxian	PRC	The Company	9	26187395	2018-11-28
8.	zhuxian	PRC	The Company	39	26187024	2018-11-14
9.	trunk	PRC	The Company	9	26186743	2018-11-28
10.	trunk	PRC	The Company	37	26190809	2018-08-28
11.	trunk	PRC	The Company	39	26195663	2018-08-28
12.	trunk	PRC	The Company	42	26201054	2018-11-14
13.	trunktech	PRC	The Company	9	26186721	2018-11-28
14.	trunktech	PRC	The Company	37	26198385	2018-08-28
15.	trunkai	PRC	The Company	9	26198354	2018-08-28
16.	trunkai	PRC	The Company	39	26190805	2018-08-28
17.		PRC	The Company	7	26192288	2018-11-14
18.		PRC	The Company	9	26186719	2019-07-14
19.		PRC	The Company	12	26202045	2018-08-21

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
20.		PRC	The Company	37	26187974	2018-11-14
21.		PRC	The Company	39	26197116	2018-11-28
22.		PRC	The Company	42	26185511	2019-07-28
23.	主线科技	PRC	The Company	7	42503390	2020-08-07
24.	主线科技	PRC	The Company	7	49908443	2021-04-28
25.	主线科技	PRC	The Company	9	42518089	2020-08-07
26.	主线科技	PRC	The Company	9	49929143	2021-04-28
27.	主线科技	PRC	The Company	12	42500273	2020-08-07
28.	主线科技	PRC	The Company	37	42505287	2020-08-07
29.	主线科技	PRC	The Company	39	42518487	2020-08-07
30.	主线科技	PRC	The Company	39	49927997	2021-04-28
31.	主线科技	PRC	The Company	42	49910865	2021-09-07
32.	TRUNK	PRC	The Company	9	42503431	2020-08-07
33.	TRUNK	PRC	The Company	12	61212956	2022-06-21
34.	TRUNK	PRC	The Company	12	42498898	2022-07-07
35.	TRUNK	PRC	The Company	37	42510979	2020-10-14
36.	TRUNK	PRC	The Company	39	42498913	2020-08-07
37.	TRUNK	PRC	The Company	39	49915000	2021-04-28
38.	TRUNK	PRC	The Company	42	49908892	2021-04-28
39.	TRUNKAI	PRC	The Company	7	49905665	2021-04-28
40.	TRUNKAI	PRC	The Company	9	49931013	2021-04-28
41.	TRUNKAI	PRC	The Company	37	49910867	2021-04-28
42.	TRUNKAI	PRC	The Company	39	49901854	2021-04-28

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No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
43.	TRUNKAI	PRC	The Company	42	49913473	2021-04-28
44.	NATS	PRC	The Company	7	60847972	2022-08-21
45.	NATS	PRC	The Company	9	60838876	2022-07-14
46.	NATS	PRC	The Company	37	60854037	2022-08-21
47.	NATS	PRC	The Company	39	60857366	2022-08-28
48.	TRUNK – NATS	PRC	The Company	7	49906985	2021-04-28
49.	TRUNK – NATS	PRC	The Company	9	49921380	2021-04-28
50.	TRUNK – NATS	PRC	The Company	12	49909972	2021-04-28
51.	TRUNK – NATS	PRC	The Company	42	49907323	2021-04-28
52.	TRUNK – ART	PRC	The Company	7	60840417	2022-06-21
53.	TRUNK – ART	PRC	The Company	9	60855743	2022-06-07
54.	TRUNK – ART	PRC	The Company	12	60855761	2022-06-07
55.	TRUNK – ART	PRC	The Company	37	60872039	2022-06-07
56.	TRUNK – ART	PRC	The Company	39	60867520	2022-06-07
57.	TRUNK – ART	PRC	The Company	42	60855370	2022-06-07
58.	Trunk AiTrucker	PRC	The Company	7	64840636	2022-11-07
59.	Trunk AiTrucker	PRC	The Company	9	64829731	2022-11-07
60.	Trunk AiTrucker	PRC	The Company	12	64828828	2022-11-07
61.	Trunk AiTrucker	PRC	The Company	39	64834387	2022-11-07
62.	Trunk AiTrucker	PRC	The Company	42	64838240	2022-11-07
63.	Trunk Cloud	PRC	The Company	9	64861646	2022-11-07
64.	Trunk Cloud	PRC	The Company	12	64873821	2022-11-07
65.	Trunk Cloud	PRC	The Company	39	64863973	2022-11-14
66.	Trunk Cloud	PRC	The Company	42	64853454	2022-11-14
67.	TrunkGO	PRC	The Company	7	64852293	2022-11-07
68.	TrunkGO	PRC	The Company	9	64848127	2022-11-07

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No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
69. .	TrunkGO	PRC	The Company	12	64838991	2022-11-07
70. .	TrunkGO	PRC	The Company	39	64831551	2022-11-07
71. .	TrunkGO	PRC	The Company	42	64839025	2022-11-07
72. .	Trunk AiTruck	PRC	The Company	7	64837526	2022-11-07
73. .	Trunk AiTruck	PRC	The Company	9	64840277	2022-11-07
74. .	Trunk AiTruck	PRC	The Company	12	64849973	2022-11-07
75. .	Trunk AiTruck	PRC	The Company	39	64834785	2022-11-07
76. .	Trunk AiTruck	PRC	The Company	42	64840617	2022-11-07
77. .	Trunk Pilot	PRC	The Company	9	64859977	2022-11-07
78. .	Trunk Pilot	PRC	The Company	12	64881294	2022-11-07
79. .	Trunk Pilot	PRC	The Company	39	64855481	2022-11-07
80. .	Trunk Pilot	PRC	The Company	42	64861631	2022-11-14
81. .	TRUNK PORT	PRC	The Company	9	64867507	2022-11-14
82. .	TRUNK PORT	PRC	The Company	12	64880864	2022-11-07
83. .	TRUNK PORT	PRC	The Company	39	64863115	2022-11-07
84. .	TRUNK PORT	PRC	The Company	42	64859907	2022-11-07
85. .		PRC	The Company	7	64822698	2023-01-21
86. .		PRC	The Company	9	64793282	2023-01-21
87. .		PRC	The Company	39	64809842	2023-01-21
88. .		PRC	The Company	42	64817467	2023-01-21
89. .		PRC	The Company	7	64798952	2023-01-21
90. .		PRC	The Company	9	64804908	2023-01-21
91. .		PRC	The Company	39	64809795	2022-11-07
92. .		PRC	The Company	42	64793279	2023-01-21

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No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
93.	TRUNK ATS	PRC	The Company	7	64865724	2022-11-14
94.	TRUNK ATS	PRC	The Company	9	64861656	2022-11-14
95.	TRUNK ATS	PRC	The Company	12	64875401	2022-11-14
96.	TRUNK ATS	PRC	The Company	39	64866104	2022-11-07
97.	TRUNK ATS	PRC	The Company	42	64868202	2022-11-14
98.	Trunk Atom	PRC	The Company	7	64846377	2022-11-07
99.	Trunk Atom	PRC	The Company	9	64843364	2022-11-07
100.	Trunk Atom	PRC	The Company	12	64827323	2022-11-07
101.	Trunk Atom	PRC	The Company	39	64839346	2022-11-07
102.	Trunk Atom	PRC	The Company	42	64847695	2022-11-07
103.	Trunk Stack	PRC	The Company	7	64873722	2022-11-07
104.	Trunk Stack	PRC	The Company	9	64864294	2022-11-07
105.	Trunk Stack	PRC	The Company	12	64876470	2022-11-07
106.	Trunk Stack	PRC	The Company	39	64871639	2022-11-07
107.	Trunk Stack	PRC	The Company	42	64860686	2022-11-07
108.	Trunk FMS	PRC	The Company	9	64866055	2022-11-14
109.	Trunk FMS	PRC	The Company	12	64856179	2022-11-14
110.	Trunk FMS	PRC	The Company	39	64856190	2022-11-14
111.	Trunk FMS	PRC	The Company	42	64872247	2022-11-07
112.	Trunk Freight	PRC	The Company	9	64854503	2022-11-21
113.	Trunk Freight	PRC	The Company	12	64878407	2022-11-21
114.	Trunk Freight	PRC	The Company	39	64880925	2022-11-21
115.	Trunk Freight	PRC	The Company	42	64859952	2022-11-21
116.	T-TRUCK	PRC	The Company	7	64878121	2022-11-14
117.	T-TRUCK	PRC	The Company	9	64865780	2023-01-14
118.	T-TRUCK	PRC	The Company	39	64853924	2022-11-14

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No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Registration Date
119..	T-TRUCK	PRC	The Company	42	64878159	2023-01-14
120..	Trunk Safe	PRC	The Company	7	64825353	2022-11-14
121..	Trunk Safe	PRC	The Company	9	64830090	2022-11-14
122..	Trunk Safe	PRC	The Company	12	64832934	2022-11-14
123..	Trunk Safe	PRC	The Company	39	64844308	2022-11-14
124..	Trunk Safe	PRC	The Company	42	64839412	2022-11-14
125..	TRUNK SIM	PRC	The Company	7	64863181	2022-11-14
126..	TRUNK SIM	PRC	The Company	9	64872318	2022-11-14
127..	TRUNK SIM	PRC	The Company	12	64859685	2022-11-14
128..	TRUNK SIM	PRC	The Company	39	64859991	2022-11-14
129..	TRUNK SIM	PRC	The Company	42	64863217	2022-11-07
130..	Trunk Parking	PRC	The Company	7	64871663	2022-11-21
131..	Trunk Parking	PRC	The Company	9	64860708	2022-11-21
132..	Trunk Parking	PRC	The Company	12	64879798	2022-11-21
133..	Trunk Parking	PRC	The Company	39	64863062	2022-11-21
134..	Trunk Parking	PRC	The Company	42	64867490	2022-11-21
135..	TRUNKGPT	PRC	The Company	7	70797869	2023-10-14
136..	TRUNKGPT	PRC	The Company	9	70796641	2023-10-14
137..	TRUNKGPT	PRC	The Company	12	70807389	2023-10-14
138..	TRUNKGPT	PRC	The Company	39	70803089	2023-10-07
139..	TRUNKGPT	PRC	The Company	42	70818174	2023-10-07

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Name of Software	Place of Registration	Registered Owner	Registration Number	Date of Authorization
1 . .	LiDAR-Based Gantry Crane Anti-Collision System V1.0 (基於激光雷達的龍門吊防碰撞系統 V1.0)	PRC	The Company	2018SR106591	February 9, 2018
2 . .	Multi-LiDAR Extrinsic Parameter Calibration Software V1.0 (多激光雷達外參標定軟件V1.0)	PRC	Shanghai Trunk	2019SR1340783	December 11, 2019
3 . .	Port Autonomous Container Truck Fleet Management System V1.0 (港口無人集卡車隊管理系統V1.0)	PRC	Shanghai Trunk	2019SR1340772	December 11, 2019
4 . .	3D Web Central Control Platform for Port Autonomous Container Trucks V1.0 (三維web港口無人集卡中控平台 V1.0)	PRC	Shanghai Trunk	2019SR1338867	December 11, 2019
5 . .	L4 Port Horizontal Transport Autonomous Driving System TrunkPort V1.0 (L4港口水平運輸無人駕駛系統 TrunkPortV1.0)	PRC	The Company	2019SR1449857	December 30, 2019
6 . .	Port Operation Simulation Software TrunkSim V1.0 (港口作業仿真軟件 TrunkSimV1.0)	PRC	The Company	2020SR0164368	February 21, 2020
7 . .	L3 Highway Trunk Transport Autonomous Driving System TrunkPilot V1.0 (L3高速幹線運輸自動駕駛系統 TrunkPilot V1.0)	PRC	The Company	2020SR0179436	February 26, 2020
8 . .	Fleet Management System TrunkFMS V1.0 (車隊管理系統TrunkFMSV1.0)	PRC	The Company	2020SR0260185	March 16, 2020
9 . .	Intelligent Driving Interaction System TrunkOS V1.0 (智能駕駛交互系統TrunkOS V1.0)	PRC	The Company	2020SR1505301	September 28, 2020
10 .	Multi-Mode Autonomous Vehicle Chassis Control Software V1.0 (多模式自動駕駛車輛底盤控制軟件 V1.0)	PRC	The Company	2020SR1717133	December 2, 2020

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Name of Software	Place of Registration	Registered Owner	Registration Number	Date of Authorization
11	Intelligent Driving Regulation and Control System TrunkDev V1.0 (智能駕駛調控系統 TrunkDev V1.0)	PRC	The Company	2021SR2214737	December 29, 2021
12	Intelligent Driving Monitoring System TrunkFace V1.0 (智能駕駛監控系統 TrunkFaceV1.0)	PRC	The Company	2021SR2214738	December 29, 2021
13	Simulation Platform System Abbreviation: Trunkverse V1.0 (仿真平台系統簡稱: Trunkverse V1.0)	PRC	Shanghai Trunk	2022SR0585725	May 16, 2022
14	Intelligent Driving Operation Monitoring Platform TrunkInsight V1.0.0 (智能駕駛運營監控平台 TrunkInsight V1.0.0)	PRC	The Company	2022SR0896852	July 6, 2022
15	Reach Stacker Intelligent Operation System Trunk SECH V1.0.0 (堆高機智能作業系統Trunk SECH V1.0.0)	PRC	Shanghai Trunk	2022SR0918413	July 12, 2022
16	Single Vehicle Debugging System Trunk Guan V1.0.0 (單車調試系統 Trunk Guan V1.0.0)	PRC	Shanghai Trunk	2022SR0977976	July 28, 2022
17	Intelligent Driving Interaction System TrunkOS 3D V1.0.0 (智能駕駛交互系統TrunkOS 3D V1.0.0)	PRC	Shanghai Trunk	2022SR0977910	July 28, 2022
18	Highway Platooning System Trunk Snake V1.0.0 (高速編隊行駛系統Trunk Snake V1.0.0)	PRC	Shanghai Trunk	2022SR0977984	July 28, 2022
19	Intelligent Driving Monitoring System TrunkAdmin V1.0.0 (智能駕駛監控系統 TrunkAdmin V1.0.0)	PRC	Shanghai Trunk	2022SR1411900	October 24, 2022
20	Remote Monitoring System TrunkRCP V1.0.0 (遠程監控系統TrunkRCP V1.0.0)	PRC	Shanghai Trunk	2022SR1407854	October 24, 2022

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No.	Name of Software	Place of Registration	Registered Owner	Registration Number	Date of Authorization
21	Intelligent Connected Traffic Incident Reception and Management Platform V1.0 (智能網聯交通事件接報管理平台 V1.0)	PRC	Guangxi Intelligent Driving	2022SR1516791	November 16, 2022
22	Autonomous Driving Highway Cloud Control Platform V1.0 (自動駕駛高速公路雲控平台 V1.0)	PRC	Guangxi Intelligent Driving	2022SR1608728	December 24, 2022
23	Intelligent Connected Information Release, Audit, and Channel Platform V1.0 (智能網聯信息發佈、審核和發佈渠道平台 V1.0)	PRC	Guangxi Intelligent Driving	2023SR0086544	January 16, 2023
24	SFQ Highway Fleet Monitoring System V1.0 (SFQ高速車隊監控系統 V1.0)	PRC	The Company	2024SR1654270	October 31, 2024
25	TrunkEchoNode Data Middle Platform System V1.0 (TrunkEchoNode數據中台系統V1.0)	PRC	Shanghai Trunk	2025SR0434925	March 12, 2025
26	TrunkEcho Digital Twin System V1.0 (TrunkEcho數字孿生系統V1.0)	PRC	Shanghai Trunk	2025SR0434041	March 12, 2025
27	Intelligent Dispatch System Based on Deep Learning Algorithms V1.0 (基於深度學習算法的智能調度系統 V1.0)	PRC	Jiangsu Trunk	2025SR0697496	April 28, 2025
28	End-to-End Visual Perception Module Development Service System V1.0 (端到端視覺感知模塊開發服務系統 V1.0)	PRC	The Company	2025SR0849422	May 23, 2025

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Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be or may be material to our business:

No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
1. . .	ZL 201910136139.1	Our Company	Self-developed; Proprietary	Trunk Port	Important for autonomous container truck and yard crane operations in loading and unloading efficiency	The PRC	February 25, 2019	February 25, 2039
2. . .	ZL 201910171645.4	Our Company	Self-developed; Proprietary	Trunk Port	Important for port-wide efficiency in supporting scheduling coordination of personnel, vehicles and cranes	The PRC	March 7, 2019	March 7, 2039
3. . .	ZL 201910684565.9	Guangxi Intelligent Driving	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for stability of platooning control in ensuring precise trajectory reproduction	The PRC	July 26, 2019	July 26, 2039
4. . .	ZL 201910707300.6	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for accuracy and stability of adaptive trajectory tracking technology in complex road conditions	The PRC	August 1, 2019	August 1, 2039
5. . .	ZL 201910707315.2	Guangxi Intelligent Driving	Self-developed; Proprietary	Trunk Port	Important for high-precision alignment in enhancing port operational safety and efficiency during cargo handling	The PRC	August 1, 2019	August 1, 2039
6. . .	ZL 202010616973.3	Guangxi Intelligent Driving	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for prioritization of task execution and uninterrupted traffic flow in situation without traffic signals	The PRC	July 1, 2020	July 1, 2040
7. . .	ZL 202010976375.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for model inference speed acceleration	The PRC	September 17, 2020	September 17, 2040
8. . .	ZL 202011494412.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for maintaining truck platooning longitudinal stability	The PRC	December 17, 2020	December 17, 2040

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No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽⁷⁾	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
9. . .	ZL 202111184254.X	Our Company	Self-developed; Proprietary	Trunk Port	Important automation technology for increasing port operation efficiency	The PRC	October 12, 2021	October 12, 2041
10. . .	ZL 202111251788.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for effective detection and management of road anomalies in operational safety of autonomous driving	The PRC	October 27, 2021	October 27, 2041
11. . .	ZL 202210467229.0	Our Company	Self-developed; Proprietary	Trunk Pilot	Important for continuity of vehicle-to-vehicle coordination and data exchange	The PRC	April 29, 2022	April 29, 2042
12. . .	ZL 202210468999.7	Shanghai Trunk	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for optimization of road resource allocation in vehicle grouping scenarios	The PRC	April 29, 2022	April 29, 2042
13. . .	ZL 202210518365.8	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving loading efficiency and operational safety in docking scenarios	The PRC	May 12, 2022	May 12, 2042
14. . .	ZL 202210513130.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for standardization and safety of trailer positioning in split-type vehicles parking scenarios	The PRC	May 12, 2022	May 12, 2042
15. . .	ZL 202210528667.3	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important for strengthening perception system robustness in redundant fusion of multi-source lane line data	The PRC	May 16, 2022	May 16, 2042
16. . .	ZL 202210663527.7	Tianjin TrunkTech Co., Ltd (天津主線科技有限公司)	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important patent for vehicle control precision	The PRC	June 13, 2022	June 13, 2042
17. . .	ZL 202210847480.X	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving emission control accuracy and energy efficiency	The PRC	July 19, 2022	July 19, 2042
18. . .	ZL 202211606476.0	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Important technology for stability in collaborative driving	The PRC	December 12, 2022	December 12, 2042

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No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Specialist Technology Product ⁽¹⁾	Importance to our Specialist Technology	Place of registration	Date of Application/Registration	Expiry date
19..	ZL 202310298202.8	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving perception of generalization capability in extreme weather conditions	The PRC	March 24, 2023	March 24, 2043
20..	ZL 202410537004.7	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving health management level of vehicle systems	The PRC	April 30, 2024	April 30, 2044
21..	ZL 202510614756.3	Our Company	Self-developed; Proprietary	Trunk Port, Trunk Pilot and Trunk City	Improving high-quality communication for wheeled robotic systems	The PRC	May 14, 2025	May 14, 2045

Domain Name

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Validity Period
1	trunk.tech	The Company	February 21, 2017 – February 22, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ service contracts and appointment letters

(a) Executive Directors

Each of our executive Directors [has entered into] a service contract with us pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the date of their appointments.

(b) Independent Non-executive Directors

Each of the Independent Non-executive Directors [has entered into] an appointment letter with our Company. The initial term for their appointment letters shall be three years from the date of their appointments or until the third annual general meeting of the Company since the [REDACTED], whichever ends earlier, (subject always to re-election as and when required under the Memorandum and Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months’ prior notice in writing.

Details of our Company’s remuneration policy is described in section headed “Directors and Senior Management — Compensation of Directors and Senior Management.”

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2. Remuneration of Our Directors

Save as disclosed in “Directors and Senior Management” and “Appendix I — Accountants’ Report — Notes to The Historical Financial Information — Emoluments of Directors, Chief Executive and Supervisor” for the three years ended December 31, 2025, none of our Directors received other remunerations of benefits in kind from us.

3. Disclosure of Interests of Directors and Chief Executive of our Company

Save as disclosed below, immediately following the completion of the [REDACTED] and the [REDACTED] of Unlisted Shares into H Shares (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests in our Company

Name	Position	Nature of interest	Class and Number of Shares Held	Approximate percentage of shareholding in the total issued Shares immediately after the [REDACTED] ⁽¹⁾
Mr. Zhang Tianlei	Founder, chairman of our Board, executive Director and chief executive officer	Beneficial interests Interest in controlled corporation ⁽²⁾	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]

Notes:

- (1) The calculation is based on the total number of [REDACTED] H Shares to be [REDACTED] from Unlisted Shares in issue and [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (2) Tianjin Zhuxian and Tianjin Zhugan are limited partnerships established in the PRC managed by their general partner, Mr. Zhang Tianlei. Therefore, Mr. Zhang Tianlei is deemed to be interested in the [REDACTED] Shares held by Tianjin Zhuxian and the [REDACTED] Shares held by Tianjin Zhugan.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [REDACTED], has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company’s associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

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4. Disclosure of Interests of Substantial Shareholders

(a) *Interests in our Company*

For information on the persons who will, immediately following the completion of the [REDACTED], having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed “Substantial Shareholders.”

(b) *Interests of substantial shareholders of other members of our Group*

As of the Latest Practicable Date, so far as our Directors are aware, none of the person (other than our Directors or chief executive of our Company) were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other member of our Group.

Our Directors are not aware of any persons (other than our Directors or chief executive) will, immediately following the completion of the [REDACTED], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

5. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or any of the parties listed in “— E. Other Information — 5. Consents and Qualification of Experts” below is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “— E. Other Information — 5. Consents and Qualification of Experts” below:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [REDACTED] on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

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D. [REDACTED] SHARE INCENTIVE SCHEME

Background and purpose

The Company adopted a share option incentive plan in September 2020 which was amended in December 2025 (“[REDACTED] Share Incentive Scheme”) for the purpose of promoting the realization of the Company’s long-term strategic goals by closely aligning the interests of employees with the interests of the Company. At the same time, by using various share incentive tools, it assists the Company and its subsidiaries in attracting and retaining core talents, key technical personnel, and senior management, effectively stimulating the potential and initiative of employees and senior management, thereby better enhancing the Company’s operational efficiency and management level. The terms of the [REDACTED] Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of options or Shares by our Company after our [REDACTED].

Eligibility

All participants must be employees of our Group who receive remuneration and have signed an employment contract with our Group; or other individuals who are considered to have contributed to the development of our Group as approved by the administrator of the [REDACTED] Share Incentive Scheme (“**Eligible Participants**”).

Awards

The awards (the “**Awards**”) to be granted under the [REDACTED] Share Incentive Scheme shall be in the form of options to acquire units (the “**Incentive Units**”) of the partnership interest held by Mr. Zhang Tianlei and Mr. Yang Shuai in Tianjin Zhuxian, the designated employee shareholding platform for the [REDACTED] Share Incentive Scheme, which held 7,602,500 Shares for the purpose of the [REDACTED] Share Incentive Scheme as of the Latest Practicable Date.

As of the Latest Practicable Date, the Company has granted a total of 6,726,500 outstanding Incentive Units to 22 Eligible Participants pursuant to the [REDACTED] Share Incentive Scheme, corresponding to a total of 6,726,500 Shares of the Company, representing approximately [REDACTED] of the total issued share capital of the Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). These Incentive Units were granted to 2 executive Directors, 2 senior management members, and 18 other Eligible Participants who are not Directors, senior management, or connected persons of the Company. As of the Latest Practicable Date, these Incentive Units have not yet vested. As of the Latest Practicable Date, the remaining 876,000 Incentive Units corresponding to a total of 876,000 Shares of the Company had vested.

Administration

The administrator of the [REDACTED] Share Incentive Scheme is Mr. Zhang Tianlei, one of our Controlling Shareholders and the general partner of Tianjin Zhuxian (the “**Administrator**”). Subject to applicable laws and regulations and the provisions of the [REDACTED] Share Incentive Scheme, the administrator has the authority to, among others:

- (i) Interpret, modify, and adjust the [REDACTED] Share Incentive Scheme;
- (ii) Determine the list of Eligible Participants under the [REDACTED] Share Incentive Scheme;
- (iii) Determine the number of Incentive Units to be granted to Eligible Participants, the exercise price, the vesting schedule, and other terms of the [REDACTED] Share Incentive Scheme;

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- (iv) Determine the vesting (including early exercise, accelerated exercise, and extended exercise)/repurchase /claw-back/termination of Incentive Units already obtained by Eligible Participants under the [REDACTED] Share Incentive Scheme and the related terms and conditions;
- (v) Modify the terms of any Incentive Units and their interests that have already been granted in accordance with the [REDACTED] Share Incentive Scheme; and
- (vi) Take other necessary actions for the implementation of the [REDACTED] Share Incentive Scheme, and handle other necessary matters that require its decision or execution as stipulated by the [REDACTED] Share Incentive Scheme.

Grant of Awards

Eligible Participants are granted the right to subscribe for Incentive Units in Tianjin Zhuxian at a pre-determined price and conditions. Each Incentive Unit represents the economic interest of one share of the Company held by Tianjin Zhuxian (including dividends and income from transfer, but excluding voting rights and other shareholder rights). The total number of Incentive Units granted under the [REDACTED] Share Incentive Scheme shall not exceed 6,726,500 units (derived from the remaining shares held by the Tianjin Zhuxian following the implementation of the [REDACTED] Share Incentive Scheme in 2020). The exercise price is determined by the Administrator based on the Eligible Participant’s actual situation and stipulated in the award agreement.

Performance and Vesting Conditions

Unless otherwise arranged by the Administrator or agreed in the award agreement, the Incentive Units vest in three tranches (the “Standard Vesting Schedule”):

1. **40%** on the date the Company’s Shares are [REDACTED] on the Hong Kong Stock Exchange;
2. **30%** on the first anniversary of the [REDACTED]; and
3. **30%** on the second anniversary of the [REDACTED].

Vesting is subject to the satisfaction of the following conditions in each vesting period:

- The Eligible Participant has not resigned;
- The Eligible Participant’s annual performance appraisal for the year preceding the end of each vesting period has reached a qualified standard or above;
- If performance targets have been agreed upon with the Company, the relevant performance targets must be met;
- There is no breach of the employment contract, confidentiality agreement, or provisions regarding non-competition and ownership of work products signed with the Company, or other actions that cause a material adverse effect on the Company or seriously damage the Company’s interests; and
- Other conditions as stipulated in the award agreement.

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Clawback and Special Circumstances

Lapse of Incentive Units

An Eligible Participant may voluntarily forfeit unvested Incentive Units and/or vested but unexercised Incentive Units. Unless otherwise explicitly provided in this Scheme and/or by the Administrator, an Eligible Participant may not dispose of unvested Incentive Units and/or vested but unexercised Incentive Units in any way. Forfeited unvested Incentive Units and/or vested but unexercised Incentive Units will be clawed back without consideration by a designated entity of the Administrator or re-granted by the Administrator to other qualified Eligible Participants.

Transfer of Incentive Units

The Incentive Units and the interests obtained after their vesting or exercise belong to the Eligible Participant personally and are non-transferable. Except for transfers in accordance with the methods stipulated in the [REDACTED] Share Incentive Scheme, an Eligible Participant may not sell, pledge, assign, or otherwise dispose of the Incentive Units obtained and/or the incentive shares acquired through the exercise of Incentive Units, nor create any encumbrance thereon.

Serious Misconduct, Incapacity, Death, Disability, or Retirement of an Eligible Participant

If an Eligible Participant is found to have committed any act of serious misconduct, then the Eligible Participant's unvested Incentive Units shall not be eligible for vesting, and vested but unexercised Incentive Units shall not be exercisable. Furthermore, the Administrator has the right to designate a specific entity to repurchase the incentive shares held by the Eligible Participant from exercised Incentive Units at the exercise price and require the Eligible Participant to withdraw from the [REDACTED] Share Incentive Scheme.

If an Eligible Participant experiences loss of labor capacity, death, disability, retirement, or similar situations, then the Eligible Participant's unvested Incentive Units shall not be eligible for vesting, and vested but unexercised Incentive Units shall not be exercisable. Furthermore, the Administrator has the right to designate a specific entity to repurchase the incentive shares held by the Eligible Participant from exercised Incentive Units at a fair market price and require the Eligible Participant to withdraw from the [REDACTED] Share Incentive Scheme.

Disposal of Repurchased, Forfeited, or Terminated Incentive Units

If any Incentive Units that are unvested after grant, or unexercised after vesting, or are disposed of due to other circumstances stipulated in the [REDACTED] Share Incentive Scheme, unless the Administrator decides otherwise, such Incentive Units may continue to be used for future grants of Incentive Units under the [REDACTED] Share Incentive Scheme.

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Details of the Awards Granted

As of the Latest Practicable Date, the number of shares underlying the outstanding Incentive Units granted under the [REDACTED] Share Incentive Scheme is 6,726,500. Details of the participants of the [REDACTED] Share Incentive Scheme as of the date of this document are set out as follows:

Name of Participant	Position(s) held within our Group	Date of grant	Number of outstanding Incentive Units	Purchase price per Incentive Unit (RMB)	Vesting period	As of the date of this document	
						Number of Shares the economic interests of which the outstanding Incentive Units represent	Percentage of Shares the economic interests of which the outstanding Incentive Units represent
Mr. ZHANG Tianlei	Founder, chairman of our Board, executive Director, chief executive officer	December 5, 2025	270,569	0.3	Standard Vesting Schedule	270,569	0.18%
Mr. WANG Xiaodong	Executive Director, chief technology officer	December 5, 2025	1,993,805	0.3	Standard Vesting Schedule	1,993,805	1.30%
Mr. LIU Chao	Chief financial officer	December 5, 2025	239,256	0.3	70% on the date the Company's Shares are [REDACTED] on the Stock Exchange; 30% on the first anniversary of the [REDACTED]	239,256	0.16%
Mr. BI Hongkui	Secretary of the Board, joint company secretary	December 5, 2025	35,888	0.3	Standard Vesting Schedule	35,888	0.02%
One other employee (individual grant exceeds 1,000,000 shares)	–	December 5, 2025 and June 5, 2026	2,276,925	0.3	Standard Vesting Schedule	2,276,925	1.48%
Three other employees (individual grant exceeds 200,000 but not 1,000,000 shares)	–	December 5, 2025	709,793	0.3	Standard Vesting Schedule	709,793	0.46%
14 other employees (individual grant does not exceed 200,000 shares)	–	December 5, 2025	1,200,264	0.3	Standard Vesting Schedule	1,200,264	0.77%
Total			6,726,500			6,726,500	4.37%

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

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3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor fee in relation to the [REDACTED] is US\$0.5 million, which has yet to be paid in full to the Sole Sponsor as of the Latest Practicable Date.

4. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

5. Consents and Qualification of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Han Kun Law Offices	Legal advisor to our Company as to PRC laws
Deloitte Touche Tohmatsu . .	Certified Public Accountants Registered Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Industry consultant
King & Wood	Legal advisor as to international sanctions compliance

Save as disclosed in this document, as of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

6. Promoter

The promoters of our Company comprised all of the 21 then shareholders of our Company as at November 12, 2025 before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

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7. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

8. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Compliance Adviser

Our Company has appointed Altus Capital Limited as our compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

10. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position since December 31, 2025.

11. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
- (b) Save as disclosed in this document:
 - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
 - (iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
 - (v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
 - (vi) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
 - (vii) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and
 - (viii) our Company has no outstanding convertible debt securities or debentures.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this document; and
- (b) the written consents referred to in the section headed “Statutory and General Information — E. Other Information — 5. Consents and Qualifications of Experts” in Appendix IV to this document.

B. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of our Company at <https://trunk.tech/> and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the accountants’ report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (d) the report from Deloitte Touche Tohmatsu on the unaudited [REDACTED] financial information of our Group, the text of which is set out in the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan referred to in “Industry Overview” in this document;
- (f) the PRC legal opinion issued by Han Kun Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests in the PRC of our Group;
- (g) the legal opinion issued by King & Wood, our legal advisor as to international sanctions compliance, in respect of certain international sanctions compliance matters of our Group;
- (h) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this document;
- (i) the written consents referred to in “Statutory and General Information — E. Other Information — 5. Consents and Qualification of Experts” in Appendix IV to this document;
- (j) the service contracts referred to in the section headed “C. Further Information About Our Directors and Substantial Shareholders — 1. Particulars of Directors’ service contracts and appointment letters” in Appendix IV to this document; and

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (k) the PRC Company Law, Securities Law and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.