Application Proof of

DDPai Technology Co., Ltd.
盯盯拍(深圳)技術股份有限公司

(the "**Company**")

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

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DDPai Technology Co., Ltd.
盯盯拍(深圳)技術股份有限公司

(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 reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transa ction 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	**:**	**RMB[REDACTED] per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED], [REDACTED],**
[REDACTED] *and* [REDACTED]

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This summary aims to give you an overview of the information contained in this Document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this Document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your **[REDACTED]** *decision. 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 before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

Our mission

To become a personal assistant that perceives the physical world.

Our vision

To build a vibrant, fulfilling, fair and equitable platform for strivers that can be sustained for the long term.

Our values

To witness and share together.

Who we are

We are a PRC-based technology company specializing in vehicle smart imaging devices and the hardware, software and algorithm technologies that support these products. We apply our AIoT and visual algorithm capabilities to develop smart imaging solutions that broaden the functional scope of traditional imaging devices. Supported by our continued R&D investments, these technologies enhance imaging quality, safety-related functions and user experience, and contribute to the technical framework underlying our broader "mobile third space" ecosystem. These enhancements enable our devices to evolve beyond basic recording functions and provide ongoing functional improvements across different automotive, travel and lifestyle scenarios. According to Frost & Sullivan, in 2025 we ranked first in the global screenless vehicle smart imaging device market in terms of shipments with a market share of 7.0%, and we ranked second in the global vehicle smart imaging device market in terms of shipments with a market share of 4.9%, reflecting our established market presence and the scale of our global operations.

Our business model

We are primarily engaged in the R&D, manufacturing, and sales of vehicle smart imaging devices for automotive and travel scenarios, with dash cameras, which constitute our core type of vehicle smart imaging devices and are offered in a wide range of models under our DDPAI brand across different product series, being our major product category and the primary contributor to our revenue during the Track Record Period. In addition to dash cameras, our product portfolio also includes complementary in-vehicle products, such as 4G cloud boxes, smart car screens, and vehicle-mounted peripherals, which extend or enhance the usage of our core products. Besides, we offer customized dash cameras, rearview mirrors and smart car screens, and their printed circuit board assemblies ("**PCBAs**") primarily to automobile manufacturers, and such products are offered under third-party brands ("**Third-Party Brand Products**").

Our dash cameras enhance driving safety, record driving footage and travel moments, and support smart connectivity features that extend beyond traditional recording to form part of a broader "mobile third space" ecosystem. As components of this ecosystem, certain series of our dash cameras also incorporate AI-driven enhancements such as night-time image optimization and forward-collision warning and locking mechanism, and allow users to view, download and manage footage through our DDPAI App, and to access editing functions and share recorded content via cloud services.

We define product specifications based on user needs and market trends, and develop hardware, software and algorithm capabilities through our in-house R&D team. We maintain long-term relationships with suppliers of key components such as chips, sensors and lenses, and operate our own production facility in Dongguan, Guangdong Province (the "**Dongguan Facility**"), where we conduct major manufacturing processes including IQC, SMT, camera module focusing, DIP, assembly, aging and testing, as well as packaging.

We adopt a multi-channel sales model comprising (i) direct online sales through our self-operated stores on major e-commerce platforms and our direct-to-consumer ("**DTC**") channels; (ii) online and offline distributors; and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers.

Our market opportunities

The growth of our business is supported by the expansion of overseas markets, primarily in Asia (excluding Chinese mainland) and Europe, our R&D and innovation capabilities, our manufacturing capabilities of our Dongguan Facility, and our global sales network. According to Frost & Sullivan, the vehicle smart imaging device industry is expected to experience significant growth in our key overseas markets. Specifically, the market size in Asia (excluding Chinese mainland) is expected to expand from RMB6.1 billion in 2025 to RMB15.3 billion in 2030, representing a CAGR of 20.2%. Concurrently, the market size in Europe is projected to grow from RMB5.7 billion in 2025 to RMB8.9 billion in 2030, reflecting a CAGR of 9.3%. To capture these vast overseas market opportunities, our advanced Dongguan Facility provides a solid manufacturing foundation. Leveraging Dongguan Facility's comprehensive supply chain ecosystem, we not only possess scalable manufacturing capabilities but also ensure that our products meet stringent international quality standards through rigorous measures, enabling us to swiftly respond to the growing order volume in overseas markets.

To facilitate the conversion of our production advantages into global market share, we have established a global sales network comprising online and offline channels which covers a wide range of overseas markets. We are advancing our global expansion strategy by developing a distribution and delivery framework and working with distributors and other overseas partners across multiple regions. This global sales network supports our ability to serve users in different countries and regions and to supply products in a timely manner.

With the growth of overseas markets, the advanced R&D and innovation capabilities, the production capabilities of our Dongguan Facility, and the geographical reach of our global sales network, we expect to continue expanding our presence in overseas markets.

PRODUCTION

We manufacture or assemble smart imaging mainframes for dash cameras, smart car screens, and Third-Party Brand Products, as well as ancillary camera modules and peripherals. As of the Latest Practicable Date, we operated the Dongguan Facility, with a gross floor area of approximately 9,174.4 square meters, which commenced commercial production in 2017. Our production team consisted of 215 members as of December 31, 2025.

The following table sets forth our designed production capacity, actual production volume and utilization rates of our production facilities for the smart imaging mainframes and ancillary camera modules and peripherals we manufactured or assembled for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Designed production capacity(2)	Actual production volume	Utilization rate	Designed production capacity(2)	Actual production volume	Utilization rate	Designed production capacity(2)	Actual production volume	Utilization rate
	Unit	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*
Smart imaging mainframes(1)	1,600,000	1,484,790	92.8	1,675,000(3)	1,397,858	83.5	1,675,000(3)	1,655,886	98.9
Ancillary camera modules and peripherals(1)	420,000	395,182	94.1	450,000(3)	417,788	92.8	700,000(4)	676,757	96.7

Notes:

(1) We adopt different product categorization for marketing and production purposes due to differing operational focuses. The marketing product classification (i.e., dash cameras and others) centers on product functions and consumer habits to optimize sales strategies, whereas the production product classification (i.e., smart imaging mainframes, and ancillary camera modules and peripherals) is based on assembly line complexity. The production product classification illustrates a more meaningful calculation of actual production capacity and utilization rates.

(2) Designed production capacity is calculated based on production processes and facilities, operating six days per week and 10 hours per shift every working day for 30 days per month, and the manufacturing workforce we allocated in accordance with our annual sales estimates.

(3) The increase in designed production capacity in 2024 and/or 2025 compared to 2023 was primarily attributable to the expanded manufacturing workforce we allocated in light of higher annual sales estimates.

(4) The further increase in designed production capacity in 2025 compared to 2024 was primarily driven by the robust overseas market demand for our N series models and our Z series models of dash cameras featuring multi-channel configurations. As these product lines require a higher volume of ancillary camera modules, we expanded our production capacity for these ancillary modules to better support the increased demand for such products.

OUR STRENGTHS AND STRATEGIES

We believe that the following are our competitive strengths which contribute to our success and position us for continued growth: (i) deep product innovation driving our leadership in the vehicle smart imaging device industry, underpinned by our insights into industry and technological evolution and global user feedback; (ii) deep dive into the underlying technologies of system-on-chip image processing pipelines and software systems to support scenario-based product demands through systematic platform innovation; (iii) building an "edge-cloud integrated" system architecture to support global user and device connectivity services; (iv) globalized branding driving value growth and omni-channel marketing building competitive barriers; and (v) visionary and pragmatic core management team and a strong talent engine driving innovation.

We plan to further strengthen our leading position by implementing the following business strategies: (i) continuously penetrate the vehicle-centric "mobile third space" mobility market, build a global brand and growth flywheel, and accelerate global market expansion; (ii) pioneer AI mobility cameras and define mobility smart agents; (iii) build a closed-loop growth model integrating hardware ecosystems and digital services; and (iv) build a global customer service and management system.

RESEARCH AND DEVELOPMENT

We have established a talent structure combining industry experts and technical specialists, fostering an innovative and collaborative R&D environment. We allocate R&D resources with a long-term growth orientation, focusing on technologies and application scenarios with significant growth potential. Our R&D department comprises four primary divisions: two product development teams, a platform development team, and a project management team.

As of December 31, 2025, our R&D department comprised 102 employees, with over 80% holding a bachelor's degree or above. We have made, and will continue to make substantial R&D investments to support our long-term development. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses were RMB31.6 million, RMB26.9 million, and RMB32.1 million, respectively, accounting for 8.0%, 7.6%, and 6.8% of our total revenue for the respective years.

SALES AND MARKETING

We have established a coordinated marketing structure integrating brand marketing, product marketing, sales marketing, and user management functions. We have established a global multi-channel sales and distribution network, including (i) direct online sales, including our self-operated stores on major e-commerce platforms and our direct-to-customers ("**DTC**") channels; (ii) online and offline distributors; and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers. As of December 31, 2025, our sales and marketing team consisted of 163 members, including direct online sales operating personnel, account managers, marketing specialists, digital content creators, and key opinion leaders partnership coordinators. See "Business — Sales and marketing" for further details.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily include (i) end users who purchase our products in our self-operated stores on major domestic and overseas e-commerce platforms and our DTC channels, (ii) online and offline distributors who resell our products through their sales network or directly to end customers, and (iii) automobile manufacturers to whom we supply Third-Party Brand Products on a B2B basis. Revenue generated from our five largest customers for each year during the Track Record Period accounted for 38.3%, 34.9% and 34.5% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Sales to our largest customer for each year during the Track Record Period represented 13.7%, 11.9% and 9.2% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

Our suppliers primarily comprise a diversified group of domestic and international suppliers that provide key raw materials, such as system-on-chip ("**SoC**"), CMOS image sensor ("**CIS**"), lenses, memory chips, Wi-Fi/4G modules, casings, wiring, packaging materials and other supporting electronic and structural components. Our purchases from our largest supplier for each year during the Track Record Period accounted for 8.2%, 10.4% and 10.5%, respectively, of our total purchases for the years ended December 31, 2023, 2024 and 2025, and purchases from our five largest suppliers for each year during the Track Record Period in the aggregate accounted for 22.5%, 28.6% and 33.0%, respectively, of our total purchases for the years ended December 31, 2023, 2024 and 2025.

COMPETITION

The vehicle smart imaging device industry is highly competitive and fragmented, with numerous global and domestic markets participants competing on product performance, software capabilities, brand strength and sales channel coverage. We hold a position among the leading companies in China and are expanding our presence overseas. Our competitive advantages include full-chain integration from R&D to manufacturing and sales, a focus on AI-driven features, a robust patent portfolio and rapid global expansion since 2020. These strengths enhance our ability to stand out as the industry increasingly emphasizes intelligent features and device connectivity.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of consolidated statements of comprehensive income

The following table sets forth our consolidated statement of comprehensive income for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	394,463	352,393	475,604
Cost of sales	(251,040)	(218,628)	(294,025)
Gross profit	**143,423**	**133,765**	**181,579**
Other income	4,895	3,978	4,825
Other losses, net	(5,958)	(4,137)	(905)
Net impairment losses (recognized)/ reversed on financial assets	(491)	174	146
Research and development expenses	(31,582)	(26,907)	(32,125)
General and administrative expenses	(31,696)	(27,790)	(35,015)
Selling expenses	(55,997)	(53,030)	(77,410)
Finance costs	(4,362)	(3,306)	(1,868)
Profit before income tax	**18,232**	**22,747**	**39,227**
Income tax credit/(expense)	397	252	(2,616)
Profit for the year	**18,629**	**22,999**	**36,611**

Revenue

During the Track Record Period, we generated revenue primarily from the provision of dash cameras, our core type of vehicle smart imaging devices and major product category, with the remainder contributed by complementary in-vehicle products that extend or enhance the usage of our core products, such as 4G cloud boxes, smart car screens, and vehicle-mounted peripherals, as well as Third-Party Brand Products. The following table sets forth a breakdown of our revenue by product category for the periods indicated:

	Year ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Dash cameras	273,300	69.3	260,085	73.8	376,547	79.2
Others	121,163	30.7	92,308	26.2	99,057	20.8
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

Gross profit and gross profit margin

For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB143.4 million, RMB133.8 million and RMB181.6 million, respectively, and our gross profit margin was 36.4%, 38.0 % and 38.2%, respectively. The following table sets forth our gross profit by product category and their corresponding gross profit margin for the periods indicated:

	Year ended December 31,					
	2023		**2024**		**2025**	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Dash cameras	104,309	38.2	104,155	40.0	148,697	39.5
Others	39,114	32.3	29,610	32.1	32,882	33.2
Total	**143,423**	**36.4**	**133,765**	**38.0**	**181,579**	**38.2**

Summary of consolidated statements of financial position

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	196,020	183,734	256,227
Total non-current assets	41,595	41,841	35,634
Total assets	**237,615**	**225,575**	**291,861**
Total current liabilities	163,342	156,432	207,145
Total non-current liabilities	39,754	21,654	7,035
Total liabilities	**203,096**	**178,086**	**214,180**
Net current assets	**32,678**	**27,302**	**49,082**
Net assets	**34,519**	**47,489**	**77,681**
Share capital	20,610	20,610	20,610
Other reserves	22,162	14,395	10,187
(Accumulated losses)/retained earnings	(8,253)	12,484	46,884
Total equity	**34,519**	**47,489**	**77,681**

Our net current assets decreased by 16.5% from RMB32.7 million as of December 31, 2023 to RMB27.3 million as of December 31, 2024. This decrease was primarily attributable to (i) a decrease in inventories of RMB20.1 million mainly due to our decreased sales volume and (ii) a decrease in trade receivables of RMB15.5 million, reflecting reduced sales of Third-Party Brand Products in domestic markets. Our net current assets increased by 79.8% from RMB27.3 million as of December 31, 2024 to RMB49.1 million as of December 31, 2025. This increase was primarily due to (i) an increase in inventories of RMB35.5 million and (ii) an increase in cash and cash equivalents of RMB25.8 million, both of which reflected the expansion of our sales scale and revenue during the year. This was partially offset by an increase in trade payables of RMB46.4 million, which rose in line with higher procurement amounts to support the increased sales volume.

We had a net assets position as of December 31, 2023, 2024 and 2025. Our net assets increased from RMB34.5 million as of December 31, 2023 to RMB47.5 million as of December 31, 2024, which was primarily due to our total comprehensive income of RMB23.0 million for the year ended December 31, 2024. Our net assets further increased from RMB47.5 million as of December 31, 2024 to RMB77.7 million as of December 31, 2025, which was primarily due to our total comprehensive income of RMB36.6 million for the year ended December 31, 2025, partially offset by the repurchase of shares of RMB6.4 million during the year. See "Consolidated statements of changes in equity" in the Accountants' Report in Appendix I to this Document for further details.

Summary of consolidated statements of cash flow

The following table sets forth selected cash flows data from our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows generated from operating activities	50,068	51,228	46,946
Net cash flows (used in)/generated from investing activities	(9,984)	(12,084)	6,777
Net cash flows used in financing activities	(39,442)	(18,744)	(27,239)
Net increase in cash and cash equivalents	642	20,400	26,484
Cash and cash equivalents at beginning of the year	26,114	27,400	46,869
Effects of foreign exchange rate changes	644	(931)	(700)
Cash and cash equivalents at end of the year	**27,400**	**46,869**	**72,653**

Key financial ratios

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

	As of/ Year ended December 31,		
	2023	2024	2025
Gross profit margin (1) (%)	36.4	38.0	38.2
Net profit margin (2) (%)	4.7	6.5	7.7
Quick ratio (3) (Times)	0.6	0.6	0.7
Gearing ratio (4) (%)	202.4	144.6	64.5
Current ratio (5) (Times)	1.2	1.2	1.2

Notes:

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

(2) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.

(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(4) Gearing ratio is calculated based on total indebtedness (including borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by total current liabilities.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different **[REDACTED]** may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to **[REDACTED]** in our H Shares. Some of the major risks that we face include: (i) our business is affected by conditions in the vehicle smart imaging device industry, in particular, any adverse development of the supply-demand dynamics may materially and adversely affect the price and market demand of our products; (ii) the vehicle smart imaging device industry is highly competitive and evolving quickly. If we are unable to compete effectively, our results of operations and financial condition could be materially and adversely affected; (iii) maintaining the trusted brand image of our DDPAI products is critical to our success, and any failure to do so could severely damage our reputation and brand, which would have a material adverse effect on our business, financial condition and results of operations; (iv) we rely on distributors to expand our sales channels, and misconduct, default or failure to maintain our distributor network may materially and adversely affect our business, financial condition and results of operations; (v) we may fail to derive benefits from our investments in R&D, keep pace with and respond to trends, technological changes and evolving industry standards in an efficient and timely manner; (vi) we relied on third-party payment service providers for settlement of transactions, and any disruption, misconduct or regulatory non-compliance in such payment channels may materially and adversely affect our business, financial condition and results of operations; and (vii) we may be unable to sufficiently safeguard or enforce our intellectual property rights or to prevent third parties from copying or reverse engineering our products, the measures we take to defend and protect such intellectual property rights may be costly.

[REDACTED] INVESTORS

From 2015 to 2026, our Company obtained investments from our **[REDACTED]** Investors through equity/Share transfers and subscriptions for increased registered capital of our Company to support our expanding business operations. See "History, Development and Corporate Structure – **[REDACTED]** Investments" for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held an aggregate of approximately 43.72% of the total issued share capital of our Company.

Mr. Luo is the sole general partner of each of Weiyou Gongchuang and Weiyou Gongying. Shenzhen Yichen is the sole general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui. Shenzhen Yichen is wholly-owned by Mr. Luo. Each of Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng is our Employee Incentive Platform and each of Weiyou Gonghui, Weiyou Gongying and Shenzhen Yichen is an investment platform controlled by Mr. Luo.

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui and Shenzhen Yichen will become a group of our Controlling Shareholders, directly and indirectly holding an aggregate of approximately **[REDACTED]**% of the total issued share capital of our Company. See "Relationship with Our Controlling Shareholders" for details.

[REDACTED]

DIVIDEND

No dividend has been paid or declared by our Company during the Track Record Period. We currently do not have a formal dividend policy or a fixed dividend payout ratio. Any future determination to declare and pay any dividends will be at the discretion of our Board subject to our Articles of Association and the PRC Company Law, and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to our Shareholders' approval.

As confirmed by our PRC Legal Adviser, according to the PRC law, 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.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We expect to incur total **[REDACTED]** expenses of HK$**[REDACTED]** million (assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range), representing **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]** assuming no H Shares are issued pursuant to the **[REDACTED]**. The total **[REDACTED]** expenses consist of (i) HK$**[REDACTED]** million **[REDACTED]** related expenses (including **[REDACTED]** commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy); and (ii) HK$**[REDACTED]** million non-**[REDACTED]** related expenses (including (a) fees and expenses of legal advisers and reporting accountants of HK$**[REDACTED]** million; and (b) other fees and expenses of HK$**[REDACTED]** million). During the Track Record Period, we incurred **[REDACTED]** expenses of HK$**[REDACTED]** million, HK$**[REDACTED]** million of which was charged to our consolidated statements of comprehensive income, and HK$**[REDACTED]** million of which was attributable to the **[REDACTED]** of H Shares and will be deducted from equity upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of HK$**[REDACTED]** million after the Track Record Period, HK$**[REDACTED]** million of which is expected to be charged to our consolidated statements of comprehensive income, and HK$**[REDACTED]** million of which is attributable to the **[REDACTED]** of H Shares and will be deducted from equity upon the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** range of the indicative **[REDACTED]** stated in this document), we estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting the **[REDACTED]** commissions, fees and other estimated expenses payable by us in connection with the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**% (or HK$**[REDACTED]** million) will be used for the technology R&D and product innovation; (ii) approximately **[REDACTED]**% (or HK$**[REDACTED]** million) will be used for strengthening our overseas brand presence and expanding our global sales network; (iii) approximately **[REDACTED]**% (or HK$**[REDACTED]** million) will be used for enhancing our AI-enabled enterprise digitalization capabilities; and (iv) approximately **[REDACTED]**% (or HK$**[REDACTED]** million) will be used for working capital and general corporate purposes.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our business continues to experience growth in terms of sales performance, profitability and overseas market expansion after the Track Record Period, compared to the same period in 2025.

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report, the text of which is 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, 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 (formerly known as the Financial Reporting Council of Hong Kong)
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on June 22, 2026 with effect from the **[REDACTED]** and as amended from time to time, a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"Business Day" or "business day"	a day on which banks in Hong Kong are open generally for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Chepaidang"	Shenzhen Chepaidang Technology Co., Ltd.* (深圳市車拍檔科技有限公司), a company established under the laws of the PRC with limited liability on November 6, 2019 and a direct wholly-owned subsidiary of our Company
"China", "Chinese mainland" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China", "Chinese mainland" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan, China

"Chongpeipei"	Pinghu Chongpeipei Technology Co., Ltd.*（平湖寵陪陪科技有限公司）, a company established under the laws of the PRC with limited liability on January 10, 2022 and a direct wholly-owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed to it 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
"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"	DDPai Technology Co., Ltd.（盯盯拍（深圳）技術股份有限公司）, formerly known as Shenzhen Weiyou Video Communication Co., Ltd.*（深圳市為有視訊有限公司）, a company established under the laws of the PRC on April 1, 2013 and converted into a joint stock company with limited liability on June 3, 2016
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China（中華人民共和國公司法）, as amended, supplemented or otherwise modified from time to time, which was last amended on December 29, 2023
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion of Unlisted Shares into H Shares"	the conversion of **[REDACTED]** Unlisted Shares into H Shares on a one-for-one basis upon the completion of the **[REDACTED]** and the **[REDACTED]**. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on [●] and an application for H Shares to be **[REDACTED]** on the Stock Exchange has been made to the Listing Committee
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui and Shenzhen Yichen
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission（中國證券監督管理委員會）
"DDPAI Cloud Technology"	DDPAI (Shenzhen) Cloud Technology Co., Ltd.*（盯盯拍（深圳）雲技術有限公司）, a company established under the laws of the PRC with limited liability on September 12, 2017 and a direct wholly-owned subsidiary of our Company

"DDPAI Automotive Electronics"	DDPAI (Shenzhen) Automotive Electronics Co., Ltd.* (盯盯拍(深圳)汽車電子有限公司), a company established under the laws of the PRC with limited liability on May 8, 2025 and a direct wholly-owned subsidiary of our Company
"DDPAI Dongguan"	DDPAI (Dongguan) Vision Equipment Co., Ltd.* (盯盯拍(東莞)視覺設備有限公司), a company established under the laws of the PRC with limited liability on August 16, 2016 and a direct wholly-owned subsidiary of our Company
"DDPAI Global"	DDPAI Global Co., Limited (盯盯拍環球有限公司), a company incorporated in Hong Kong with limited liability on July 12, 2023 and a direct wholly-owned subsidiary of our Company
"DDPAI Zhejiang"	DDPAI (Zhejiang) Intelligent Equipment Co., Ltd.* (盯盯拍(浙江)智能設備有限公司), a company established under the laws of the PRC with limited liability on August 3, 2020 and a direct wholly-owned subsidiary of our Company
"Director(s)"	the director(s) of our Company
"Employee Incentive Platform(s)"	collectively, Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public's ability to resume work or brings safety concern for a prolonged period
[REDACTED]	**[REDACTED]**
"F&S" or "Industry Consultant" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Group", "our Group", "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024 (as amended from time to time)
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
[REDACTED]	**[REDACTED]**

DEFINITIONS

[REDACTED]	**[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]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"H Share(s)"	overseas **[REDACTED]** foreign share(s) in the share capital of our Company, with a nominal value of RMB**[REDACTED]** each, which are to be subscribed for and **[REDACTED]** in Hong Kong dollars and for which an application has been made for the granting of **[REDACTED]** and permission to **[REDACTED]** on the Stock Exchange
[REDACTED]	**[REDACTED]**
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by International Accounting Standards Committee
"Independent Third Party(ies)"	any person(s) or entity(ies) which, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Latest Practicable Date"	June 13, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document before its publication
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"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 Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
Mr. Luo	Mr. Luo Yong (羅勇), the chairman of our Board, an executive Director and our general manager, and one of our Controlling Shareholders
"NEEQ"	the National Equities Exchange and Quotation (全國中小企業股份轉讓系統), a PRC over-the-counter system for trading shares for public companies
"Nomination Committee"	the nomination committee of the Board

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Pinghu Yichen"	Pinghu Yichen Information Consulting Co., Ltd.* (平湖屹辰信息顧問有限公司), a company established under the laws of the PRC with limited liability on May 26, 2021
"PRC Legal Adviser"	Jia Yuan Law Offices, our legal adviser as to PRC laws
"**[REDACTED]** Investment(s)"	the investment(s) in our Group undertaken by the **[REDACTED]** Investors before the **[REDACTED]**, details of which are set out in the section headed "History, Development and Corporate Structure – **[REDACTED]** Investments" in this document
"**[REDACTED]** Investor(s)"	the investor(s) who participated in our **[REDACTED]** Investments, details of which are set out in the section headed "History, Development and Corporate Structure – **[REDACTED]** Investments" in this document
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"R&D"	research and development
[REDACTED]	**[REDACTED]**

"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"SAFE"	the State Administration of Foreign Exchange of the PRC（中國國家外匯管理局）
"SAMR", or formerly known as "SAIC"	the State Administration for Market Regulation of the PRC（中國國家市場監督管理總局）, formerly known as State Administration of Industry and Commerce of the PRC（中國國家工商行政管理總局）
"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
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each prior to the **[REDACTED]** and RMB**[REDACTED]** each upon the completion of the **[REDACTED]**, comprising Unlisted Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of our Share(s)
[REDACTED]	**[REDACTED]**
"Shenzhen Yichen"	Shenzhen Yichen Information Services Co., Ltd.*（深圳市屹辰信息服務有限公司）, a company established under the laws of the PRC with limited liability on February 4, 2026 and one of our Controlling Shareholders
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Sole Sponsor" and **[REDACTED]**	CEB International Capital Corporation Limited

[REDACTED]	**[REDACTED]**
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three financial years ended December 31, 2025
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB**[REDACTED]** each, which are not listed on any stock exchange
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"US$" or "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"Weiyou Gongchuang"	Shenzhen Weiyou Gongchuang Investment Enterprise (Limited Partnership)* (深圳市為有共創投資企業(有限合夥)), a limited partnership established under the laws of the PRC on October 27, 2015, one of our Employee Incentive Platforms and one of our Controlling Shareholders
"Weiyou Gonghui"	Shenzhen Weiyou Gonghui Investment Enterprise (Limited Partnership)* (深圳市為有共輝投資企業(有限合夥)), a limited partnership established under the laws of the PRC on March 3, 2026 and one of our Controlling Shareholders
"Weiyou Gongsheng"	Shenzhen Weiyou Gongsheng Investment Enterprise (Limited Partnership)* (深圳市為有共盛投資企業(有限合夥)), a limited partnership established under the laws of the PRC on March 18, 2026, one of our Employee Incentive Platforms and one of our Controlling Shareholders

"Weiyou Gongxing"	Shenzhen Weiyou Gongxing Investment Enterprise (Limited Partnership)* (深圳市為有共興投資企業(有限合夥)), a limited partnership established under the laws of the PRC on March 17, 2026, one of our Employee Incentive Platforms and one of our Controlling Shareholders
"Weiyou Gongying"	Shenzhen Weiyou Gongying Investment Enterprise (Limited Partnership)* (深圳市為有共贏投資企業(有限合夥)), a limited partnership established under the laws of the PRC on December 14, 2018 and one of our Controlling Shareholders
"%"	per cent

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, in this document, "" denotes translation of certain PRC established companies or entities, laws or regulations into English for identification purposes only. If there is any inconsistency, the Chinese versions shall prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms and may not be comparable to similar terms adopted by other companies.

"4G"	a collection of fourth-generation wireless mobile telecommunication technologies
"ADAS"	advanced driver assistance system, an electronic system designed to enhance driving safety by providing forward-collision warnings or other automated features
"AI"	artificial intelligence
"AI Agent"	a software system or program that leverages artificial intelligence technologies to perceive its environment, make autonomous decisions, plan actions, and execute tasks to achieve predefined goals on behalf of a user, application or another system
"AIoT"	artificial intelligence of things, the integration of AI technologies with IoT devices and infrastructure to enable intelligent, automated decision-making at the device level
"AOI"	automated optical inspection, a testing method that uses optical imaging systems to automatically detect defects on a subject under inspection
"BSP"	board support package, a software layer containing hardware-specific drivers and underlying routines that enables an operating system or software to interact and function with the underlying hardware components
"CAGR"	compound annual growth rate
"CIS"	CMOS image sensor, an image sensor that utilizes complementary metal-oxide-semiconductor technology to convert incident light into electronic signals
"CLI"	command-line interface, a text-based user interface used to operate software and operating systems
"DDPAI App"	mobile application developed by our Company, which is designed for end-users to connect, control, and interface with our products, as well as to manage content
"DDR"	Double Data Rate, a type of computer memory that transfers data twice per clock cycle
"DIP"	dual in-line package, a manufacturing process where electronic components are inserted into pre-drilled holes on a printed circuit board and soldered

"DMS"	driver monitoring system, a system that monitors a driver's state to identity conditions such as fatigue or distraction
"DTC"	direct-to-consumer
"eMMC"	embedded multimedia card
"EOL aging"	end-of-line aging, a quality control step of electronic products manufacturing, wherein assembled devices are operated continuously under specified conditions for a certain period to screen out latent hardware defects and ensure the reliability of final products
"ERP"	enterprise resource planning, an information management system that integrates core business processes across an enterprise
"G-sensor collision locking"	a technology that employs a gravity sensor to detect sudden changes in a vehicle's acceleration or impact forces
"GPS"	global positioning system, a satellite-based radio navigation system that provides geographical coordinates expressed as longitude and latitude and timing information
"HDR"	high dynamic range, a set of imaging technologies and techniques designed to increase the dynamic range of images or videos
"IATF 16949"	a technical specification developed by the International Automotive Task Force for establishing a quality management system which provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the automotive industry supply chain and assembly process
"IoT"	internet of things, a network of physical devices equipped with information-sensing and communication capabilities
"IPS"	intelligent protection system, a power management technology utilized in smart imaging devices to monitor vehicle battery voltage in real-time and automatically cut off power when the voltage falls below a preset threshold to prevent battery over-discharge
"IP67"	an ingress protection rating as defined under the International Electrotechnical Commission standards. The first digit "6" indicates the highest level of protection against solid particles, and the second digit "7" indicates protection against the effects of temporary immersion in water under prescribed conditions

"IQC"	incoming quality control, a quality management procedure involving the inspection and testing of raw materials, components, and parts delivered by suppliers before they are accepted into the production line
"ISO"	the International Organization for Standardization, an independent, non-government organization based in Geneva, Switzerland, that develops and publishes international standards
"ISO 9001"	an internationally recognized standard for quality management systems enacted by the ISO
"ISP"	image signal processing, a technology used to process raw data from image sensors to enhance image quality
"LTE"	long term evolution, a fourth-generation wireless mobile telecommunication technology standard
"MES"	manufacturing execution system
"mobile third space"	an in-vehicle environment which, as an industry concept, represents a vehicle's cabin that evolves beyond a basic transportation tool into a living and leisure space, distinct from the home (the first space) and the workplace (the second space), through the integration of AI, AIoT, and smart imaging technologies and which our smart hardware and AI-driven features greatly promote
"NightVIS"	our proprietary image enhancement technology designed to improve imaging clarity and visibility in low-light or nighttime environments
"OA"	office automation
"OBD"	on-board diagnostics, a standardized protocol and interface that allows external electronic devices to interface with a vehicle's computer system
"OTA"	over-the-air, a technology used for the wireless remote distribution, updating, and upgrading of software, hardware, or configuration data to terminal devices
"PCB"	printed circuit board, a flat board or base made of insulating material with conductive pathways etched or printed onto its surface. It is used to mechanically support and electrically connect electronic components to form an integrated circuit
"point"	a solder joint, serving as the fundamental unit of measurement in SMT production to evaluate actual machine loading, assess overall production capacity, and calculate manufacturing costs

"sensor"	a device, module, machine, or subsystem whose purpose is to detect events or changes in its environment and send the information to other electronics, frequently a computer processor
"SMT"	surface mount technology, a process by which electronic components are mounted directly on the surface of a printed circuit board
"SoC"	system-on-chip, an integrated circuit that integrates key electronic components onto a single chip
"SR"	simulated reality, a technology that employs sensors to collect real-time vehicle dynamic data and overlays information onto the video footage in a graphical dashboard format to provide an immersive driving experience
"tonne"	metric ton, equal to 1,000 kilograms
"vlog"	video blog, a form of blog for which the medium is video, commonly used to record, create and share personal daily lives, travel experiences, or specific topics of interest
"WDR"	wide dynamic range, an image processing technology that enables cameras to capture clear images in high-contrast lighting environments by utilizing multi-exposure fusion algorithms to balance light levels across the scene, preventing overexposure in highlights while preserving visibility in shadowed areas
"WMS"	warehouse management system
"πChips"	our self-developed technical platform focused on the underlying secondary development of high-performance system-on-chips, hardware drivers, and signal processing capabilities
"πLens"	our self-developed technical platform focused on the deep integration of optical design, lens engineering, and image algorithms
"πLink"	our multi-device networking protocol that supports seamless data transmission and interconnection between various smart imaging devices
"πOS"	our self-developed technical platform covering business logic software, companion App applications, and cloud service systems

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 years 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 business strategies and plans to achieve these strategies;
- our ability to attract customers and further enhance our brand recognition;
- our future debt levels and capital needs;
- changes to the political and regulatory environment in the industry and 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 markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy, if any; and
- changes or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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]**.

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 will not be updated after the date hereof and is subject to the cautionary statements in the section titled "Forward-Looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is affected by conditions in the vehicle smart imaging device industry, in particular, any adverse development of the supply-demand dynamics may materially and adversely affect the price and market demand of our products.

Vehicle smart imaging devices serve as critical components for enhancing driving safety and enriching travel experiences. These products deliver functions such as enhancing driving safety, capturing travel moments, and integrating with smart connectivity. Our business is influenced by the prevailing market conditions of the vehicle smart imaging device industry and the overall automotive industry.

These market conditions are substantially shaped by supply-demand dynamics, which are subject to factors beyond our control, including industry competition, technological advancements, and changes in government policies. If the supply of vehicle smart imaging devices exceeds market demand, the sales volume and average selling price of our products could be materially and adversely affected.

In addition, many factors may affect the demand for our products, including: (i) the cost-effectiveness, performance, and reliability of our products and related services; (ii) the availability and cost of capital for end users, which tends to decrease when economic growth slows; (iii) the success of technological development in competing fields; (iv) fluctuations in economic and market conditions that affect consumer purchasing power; and (v) the availability of favorable regulations for data security, privacy protection, and product certification in the vehicle smart imaging device industry, the overall automotive industry, and the broader smart mobility ecosystem.

If vehicle smart imaging devices fail to achieve widespread adoption, or if sufficient demand for our products does not develop or takes longer to develop than we anticipate, our revenues may suffer, our business operations and results of operations may be materially and adversely affected, and we may be unable to sustain our profitability.

Our business is affected by changes in user requirements and preferences, and industry demands.

User requirements and preferences regarding vehicle smart imaging devices are constantly evolving in response to market trend shifts, technological advancements, and changing user needs. Users are increasingly transitioning from enhancing driving safety towards capturing travel moments and integrating with smart connectivity that encompasses content creation, intelligent assistance, and cross-device connectivity.

Considering these changing and diversified user requirements, our future growth depends on our ability to adapt to market trends and introduce new products in a timely manner which align with users' expectations. We cannot assure you that our existing product portfolio will continue to be widely accepted by customers, or that we will be able to anticipate or respond to shifts in customer preferences.

We cannot assure you that our new products will be well-received and recognized by the market, or that they will generate acceptable profits. If we are unable to effectively respond to market trends, adjust our product strategy, and successfully develop innovative offerings that address changing demand, our business, financial condition, operating results, and competitive position could be materially and adversely affected.

The vehicle smart imaging device industry is highly competitive and evolving quickly. If we are unable to compete effectively, our results of operations and financial condition could be materially and adversely affected.

The vehicle smart imaging device industry in which we operate is highly competitive and includes a number of companies with widely varying levels of engineering expertise and sophistication, some of which have achieved substantial market shares. General competition in our industry is characterized by price competition and rapid technological changes.

Certain competitors may possess longer operating histories, stronger brand recognition, broader customer bases, and greater financial and operational resources. Consequently, they may benefit from economies of scale and more favorable procurement terms, granting them potential cost advantages. Furthermore, these competitors may be able to allocate greater resources to R&D, enabling them to respond more rapidly to emerging technologies and evolving customer preferences. If we fail to maintain our competitive position, adapt to changing market conditions, or compete effectively against existing and new industry players, our business, financial condition, and results of operations could be materially and adversely affected.

Maintaining the trusted brand image of our DDPAI products is critical to our success, and any failure to do so could severely damage our reputation and brand, which would have a material adverse effect on our business, financial condition and results of operations.

We have established a strong brand name and reputation for our products in Chinese mainland and globally. Any loss of trust in our products could harm the value of our brand, which could materially reduce our revenue and profitability. Our ability to maintain our position as a trusted brand for vehicle smart imaging devices is based in large part upon: (i) the quality, design and accessible pricing that we offer; (ii) user satisfaction with our products; and (iii) increasing brand awareness through marketing and brand promotion activities.

Any public perception that our products are defective or otherwise unsatisfactory, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and could have a negative impact on our ability to attract new users or retain our current users. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our products and services, it may be difficult to maintain and grow our user base, and our business and growth prospects may be materially and adversely affected.

If we fail to successfully manage frequent product introductions and transitions, we may not remain competitive or be able to stimulate customer demand.

Due to the highly volatile and competitive nature of the industry in which we compete, we must continually introduce new products and technologies, improve existing products and services, effectively stimulate customer demand for new and upgraded products and successfully manage the transition to these new and upgraded products. The success of new product introductions depends on a number of factors including, but not limited to, timely and successful product development in areas such as AI-driven enhancement, AIoT and visual algorithms, market acceptance, our ability to manage the risks associated with new product production ramp-up issues, the availability of application software for new products, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of products in appropriate quantities and at expected costs to meet anticipated demand and the risk that new products may have quality or other defects or deficiencies in the early stages of introduction.

Accordingly, we cannot determine in advance the ultimate effect of new product introductions and updates. In addition, rapid technological development and advancements may render vehicle smart imaging devices in the common forms and with the common functionalities that are generally available to consumers today outdated or obsolete, and emerging products and services may substitute vehicle smart imaging devices as consumers generally know them today. In such an event, we cannot assure you that we will be able to develop and introduce new forms of products and technologies to the markets in a timely manner, or at all, that would allow us to maintain or strengthen our leadership position in our industry. Failure to do so, or to generally stay abreast of the latest technological evolutions, could materially and adversely impact our business operations, prospects and financial performance.

We manufacture a significant portion of our products in-house, and any failure to maintain or improve our production yield rates could adversely affect our profitability.

Our financial performance and gross profit margins depend significantly on maintaining high production yield rates at our facilities. However, the manufacturing of smart imaging devices involves highly complex procedures. Factors such as undetected defects in core components, suboptimal equipment calibration, or manufacturing environmental variations may decrease our yield rates. Furthermore, as we continuously roll out new product lines or next-generation AI devices, we may experience lower yield rates during initial production ramp-up periods. We cannot assure you that we will maintain or improve our production yield rates. Any significant decrease could materially and adversely affect our business, financial condition, and results of operations.

If we fail to grow or retain our user base, or if user engagement ceases to grow or declines, our business and operating results may be materially and adversely affected.

The size of our user base is critical to our success. Our business has been depending and will continue to depend significantly on our users and their loyalty and level of engagement with our products. If users no longer view our products as useful and attractive as competing offerings, we may not be able to increase or maintain our user base and the level of user engagement. A number of factors could negatively affect user growth, retention and engagement, including but not limited to the following: (i) we may be unable to identify and meet evolving user demands; (ii) we may not be able to timely develop and introduce new or updated products, or the new or updated products we introduce may not be favorably received by users; (iii) we may fail to update existing technology or develop new technology in time to stay ahead or abreast of market advances; (iv) we may not be able to continue to successfully drive organic growth of users through word-of-mouth referrals, which may cause the growth of our user base to slow down or stall or require us to increase our promotion and advertising spending or devote more additional resources to acquire users; (v) we may be unable to prevent or combat inappropriate use of our products, which may lead to negative public perception of us and damage our brand or reputation; (vi) we may encounter technical or other problems that prevent our products from operating in a smooth and reliable manner or otherwise adversely affect user experience; (vii) our competitors may launch or develop similar or disruptive products with better user experience, which may result in loss of existing users or decline in new user growth; (viii) we may fail to address user concerns related to privacy and communication, data safety, security or other factors, particularly regarding location data and driving behavior video clips; and (ix) we may be compelled to modify our products to address requirements imposed by legislation, regulations, government policies or requests from government authorities in manners that may compromise user experience.

Our historical financial and operating results during the Track Record Period may not be indicative of our future growth and performance.

During the Track Record Period, we achieved steady revenue, reaching RMB394.5 million, RMB352.4 million, and RMB475.6 million for the years ended December 31, 2023, 2024, and 2025, respectively. Our net profit also grew and was RMB18.6 million, RMB23.0 million, and RMB36.6 million for the years ended December 31, 2023, 2024, and 2025, respectively.

However, we cannot assure you that our revenue will continue to grow at the same rate, or that we will maintain net profit comparable to that recorded during the Track Record Period. Our historical financial performance reflects our operational results under specific market conditions, competitive dynamics, and industry trends, and does not necessarily indicate or guarantee our future financial performance. Future growth depends on multiple factors, many of which are beyond our control, including changes in global and regional regulatory environments, fluctuations in global and local economies affecting consumer purchasing power, shifts in industry competition including price wars, adjustments to our product portfolio and pricing strategies, volatility in the costs of raw materials and labor, and changes in exchange rates affecting overseas sales.

Additionally, our gross profit margins may fluctuate due to pricing agreements, technical complexity in manufacturing, and urgent delivery requirements that may increase production costs. If we fail to secure new business opportunities, effectively control operating costs, or maintain profit margins, our financial condition may be materially and adversely affected.

We rely on distributors to expand our sales channels, and misconduct, default or failure to maintain our distributor network may materially and adversely affect our business, financial condition and results of operations.

We engage distributors to accelerate market penetration, particularly in overseas markets. During the Track Record Period, our distributor partnerships contributed a significant portion of our revenue. As of December 31, 2023, 2024, and 2025, we had 141, 180, and 189 distributors, respectively, and for the years ended December 31, 2023, 2024 and 2025, our sales to distributors amounted to RMB199.8 million, RMB195.5 million, and RMB266.0 million, respectively, representing 50.7%, 55.6%, and 55.9% of our revenue for the same periods.

While we enter into distributorship agreements to regulate conduct, we cannot exercise absolute control over their activities. Misconduct or non-compliance by distributors, such as unauthorized misrepresentation to end customers, infringement of third-party intellectual property, bribery or other unlawful payments, or failure to obtain required licenses, may expose us to complaints, reputational harm, and potential liability. Distributors may also default under agreements by selling competing products, failing to devote sufficient efforts to promote our devices, or engaging in unauthorized sales outside designated territories, which could disrupt our sales channels and market strategies.

We also face challenges in maintaining and expanding our distributor network. Competitive pressures, reduced margins, or more attractive incentives offered by rivals may cause distributors to terminate agreements or prioritize competing products. Replacing underperforming or breaching distributors can be costly and time-consuming, and there is no assurance that suitable replacements can be engaged promptly. Defaults, misconduct, or bankruptcy of distributors may result in financial losses, litigation, diversion of management attention, and adverse impacts on our business and results of operations.

Technological changes in the vehicle smart imaging device industry could render our products and our production facilities uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated.

The vehicle smart imaging device industry is characterized by rapid technological advancements and evolving standards. If we fail to timely identify and adopt the latest technologies, keep pace with market innovations, or effectively launch and refine our products, our offerings may become obsolete or uncompetitive against rivals with superior performance or lower production costs. This could result in a substantial loss of market share and materially and adversely affect our business, financial condition, and results of operations.

We may fail to derive benefits from our investments in R&D, keep pace with and respond to trends, technological changes and evolving industry standards in an efficient and timely manner.

Our prospects for growth and reputation depend largely on our R&D capabilities and production capacity. We have an R&D team, comprising technical development personnel covering main business segments. Our product development requires significant resources to enhance our R&D capabilities to lead in technological innovations and sustain our competitiveness. Our R&D expenses accounted for 8.0%, 7.6%, and 6.8% of our total revenue for the years ended December 31, 2023, 2024, and 2025, respectively, amounting to RMB31.6 million, RMB26.9 million, and RMB32.1 million. Key investments were focused on technology platforms, our product development, platform development and project management teams.

R&D activities inherently involve uncertainties. The direction of our R&D efforts may not always align with market needs, technological advancements, or industry trends. There can be no assurance that our endeavors in R&D will yield viable outcomes. Failures could arise from shifts in market demand, technological challenges, or unforeseen trends in technological development. As a result, our significant investments in R&D may not always yield expected returns or contribute proportionally to our business growth. In the event of underperformance in our R&D, our competitive standing could be compromised, resulting in material adverse effects on our business, results of operations, prospects and reputation.

We may not be able to implement our business strategies and plans successfully.

Our future business plans are subject to uncertainties and risks. These plans are based on assumptions of future events, which are inherently uncertain and may prove incorrect, affecting the commercial viability of our strategies. Even if our strategies are sound, delays or failures in execution, such as inability to expand into new markets, adapt to regulatory changes, or recruit skilled personnel, may materially and adversely affect our business, profitability, and financial condition.

We face various risks associated with our international operations, and our inability to effectively manage and contain them could adversely affect our business and performance.

We have been exploring business opportunities in overseas regions. For the years ended December 31, 2023, 2024, and 2025, we generated 21.8%, 37.5%, and 55.4% of our total revenue from overseas sales, respectively. However, we have limited experience in doing business in these markets and our products and business may not be well accepted. We cannot assure you that we can replicate our success or compete effectively in these markets. Moreover, as our overseas expansion proceeds, we may have to adapt our business models to the local market due to various legal requirements and market conditions and incur additional costs associated with such operations.

Operating in multiple jurisdictions around the world and expanding into new markets may subject ourselves to the following risks: (i) challenges in providing products, services and customer support, in recruiting personnel in international markets and in managing sales channels effectively; (ii) challenges in commercializing our products and services in new markets with limited experience with the local market dynamics and no existing or developed sales and marketing infrastructure; (iii) differences in accounting treatment in different countries and jurisdictions, uncertainties in interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions and foreign exchange losses; (iv) exposure to litigation or third-party claims, inability to effectively enforce contractual or legal rights and difficulty in obtaining or enforcing legal rights and judgments overseas; (v) instability or unavailability of international transportation or logistics services due to macroeconomics, geopolitical and other factors; (vi) changes in or failure to comply with laws, regulations and policies as well as political, economic and market instability, geopolitical risks or civil unrest in the relevant countries and jurisdictions; and (vii) unfavorable market conditions, intense competition, unattractive products and services, downward pressure on our selling price and any other inherent risks associated with our international business operations.

We are subject to transfer pricing policies across jurisdictions, which could result in additional tax liabilities and materially and adversely affect our business, financial condition and results of operations.

Under the laws and regulations in the PRC and Hong Kong, arrangements and transactions among entities within our Group may be subject to audit or challenge by the relevant tax authorities. See "Business – Transfer pricing analysis" for further details. We could face material and adverse tax consequences if the relevant tax authorities determine that the certain inter-company transactions of us do not represent arm's-length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operation may therefore be materially and adversely affected.

We relied on third-party payment service providers for settlement of transactions, and any disruption, misconduct or regulatory non-compliance in such payment channels may materially and adversely affect our business, financial condition and results of operations.

We depended on third-party payment service providers to facilitate settlement of transactions with our direct customers, distributors and others, both in Chinese mainland and overseas. For the years ended December 31, 2023, 2024, and 2025, a substantial portion of our revenue was collected through such payment channels, amounting to RMB31.6 million, RMB40.8 million, and RMB36.8 million, representing 8.0%, 11.6%, and 7.7% of our revenue. While these arrangements enhance efficiency and support overseas sales, they also expose us to risks beyond our direct control.

Although we have completely ceased third-party payment arrangements and implemented rectification measures, we may still be exposed to potential risks and liabilities arising from such historical transactions. During the Track Record Period, certain of our customers settled their payments through third-party payment arrangements. Although we have proactively taken internal control and rectification measures to remediate this issue and have strictly terminated all third-party payment arrangements going forward, we may still be subject to residual risks associated with these historical transactions. Specifically, any past misconduct or non-compliance involved in these third-party payments, such as misappropriation, unauthorized withholding of funds, or violations of applicable laws and regulations could subject us to retrospective regulatory scrutiny, penalties, and reputational harm. Furthermore, if any disputes arise regarding these historical third-party remittances, or if counterparties claim for the return of funds, our financial position could be impacted. Any adverse regulatory actions or disputes related to our historical third-party payment arrangements could materially and adversely affect our business, financial condition, and results of operations.

We derive a substantial portion of our revenue from our five largest customers. Any changes of business relationship with these customers, or failure to secure new customers, may materially and adversely affect our business, financial conditions and results of operations.

For the years ended December 31, 2023, 2024, and 2025, revenue from our five largest customers for each year during the Track Record Period accounted for 38.3%, 34.9%, and 34.5% of our total revenue, respectively. Our largest customer contributed RMB54.2 million, RMB41.8 million, and RMB43.6 million in those years, representing 13.7%, 11.9%, and 9.2% of our total revenue, respectively.

Our reliance on a concentrated customer base exposes us to significant risks. If any of our major customers reduce or cancel orders, adjust procurement strategies, or encounter operational or financial difficulties, our revenue could decline materially. We cannot assure you that our major customers will not change their business scope, adjust their business models, suspend operations, or face compliance issues. If we are unable to acquire suitable new customers within a reasonable period and at a reasonable cost to offset the loss of any major customer, we may face challenges in utilizing production capacity. The loss of sales to any key customer could have a material adverse effect on our business, prospects, and results of operations.

An increase in prices of raw materials or any shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers.

The principal raw materials used in the production of our products include SoC, CIS, lens, memory chips such as embedded multimedia card (the "**eMMC**") and double data rate (the "**DDR**"), printed circuit board (the "**PCB**") and other supporting electronic and structural components. During the Track Record Period, the costs of raw materials accounted for a significant portion of our total cost of sales. For the years ended December 31, 2023, 2024, and 2025, our raw material costs were RMB220.5 million, RMB192.2 million, and RMB262.8 million, respectively, representing 87.8%, 87.9%, and 89.4% of our cost of sales.

Our production costs are contingent upon our ability to procure principal raw materials at competitive prices. These inputs are subject to price volatility driven by commodity price fluctuations, supply and demand dynamics, logistics and processing costs, inflationary pressures, and governmental regulations. Any substantial increase in raw material prices or shortage of supply could adversely alter our cost structure and erode our gross profit margin.

We cannot fully mitigate the risks of raw material supply disruptions, nor can we guarantee our ability to identify all quality issues in purchased raw materials. Factors beyond our control, such as trade sanctions, export controls, natural disasters, public health emergencies, civil unrest, wars, or strikes, may disrupt supply and affect market prices. Any such disruption could materially reduce our production capacity utilization, delay deliveries to customers, and adversely impact our business, financial condition, and results of operations.

We may not continue to be successful in maintaining a cost-effective product manufacturing capability.

As of December 31, 2025, our annual production capacity of smart imaging mainframes was 1,675,000 units, serving our core product lines. To enhance competitiveness amid growing global demand, we intend to optimize and expand our production capacity. We do not plan to construct new production bases in the short to medium term, but we will focus on enhancing supply chain management, improving production engineering efficiency, and adopting flexible expansion modes.

However, developing and maintaining cost-effective manufacturing capabilities involves complex processes such as incoming quality control ("**IQC**"), SMT, camera module focusing, DIP, assembly, aging and testing, as well as packaging. We may face challenges in process improvement, capital expenditures for advanced equipment, and production investments to keep pace with technological advances. We cannot guarantee that we will realize the expected benefits of our capacity optimization or achieve adequate returns on these investments. Any delays in production line upgrades, lower-than-expected efficiency due to process adjustments, or ineffective control of production costs may materially and adversely affect our business and prospects.

Our manufacturing operations are subject to various risks. Any unanticipated or prolonged interruption of our production facilities, production machinery and equipment would materially and adversely affect our business, results of operations, financial results and prospects.

Our success and reputation depend on our ability to deliver quality products on time and in required quantities, which relies on the stable operation of our production facilities and equipment. Any operational disruption or machinery breakdown could directly impact production schedules and stock levels, hindering our ability to meet customer orders and affecting customer satisfaction.

Operational disruptions may arise from unexpected incidents or catastrophic events, including natural disasters, fires, technical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses or permits, changes in government planning for the underlying land, or regulatory developments. Instability or shortages in electricity supply could also halt production activities, causing delays in fulfilling customer orders.

Identifying and securing alternative facilities or machinery in a timely and cost-effective manner may not always be feasible. Delays in resuming normal operations could affect the quality and schedule of product deliveries, damage our reputation, and impair customer relationships. Any prolonged suspension of operations or significant disruptions in our production processes could materially and adversely affect our business operations, financial condition, and results of operations.

We rely on our major suppliers for the supply of the principal raw materials used in the production of our products. Any changes of business relationship with these suppliers may adversely affect our business, results of operations, financial results and prospects.

The principal raw materials used in our production include SoC, CIS lens, memory chips, PCB and other supporting electronic and structural components. During the Track Record Period, we purchased a significant proportion of our raw materials from our five largest suppliers for each year during the Track Record Period, with purchases amounting to RMB53.5 million, RMB54.8 million, and RMB106.0 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 22.5%, 28.6%, and 33.0% of our total purchases.

Our reliance on a limited number of major suppliers exposes us to risks if these suppliers experience operational or financial difficulties, fail to meet quality standards, delay deliveries, or terminate supply arrangements. In addition, changes in relevant laws, regulations, or market dynamics may affect their ability to supply us with principal raw materials.

We cannot assure you that we will always be able to secure a steady and adequate supply of principal raw materials from our major suppliers. If we are unable to secure sufficient supply or quickly identify alternative suppliers with comparable quality and cost, our production and delivery capabilities may be hindered, our costs may increase, and our product quality may be affected. Any disruption in supply relationships could materially and adversely affect our business, financial performance, and results of operations.

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

During the Track Record Period, our inventories mainly consisted of raw materials, work in progress and finished goods. As of December 31, 2023, 2024 and 2025, we had inventories of RMB105.0 million, RMB85.0 million, and RMB120.5 million, respectively. Our average inventory turnover days were 172 days, 176 days and 140 days for the years ended December 31, 2023, 2024 and 2025, respectively.

If we are unsuccessful in efficiently managing appropriate levels of inventory, our business, financial condition and results of operation may be materially and adversely affected. We cannot assure you that our inventories will not be damaged or impaired, as our storage may encounter unforeseeable events. As such, failure to manage our inventories effectively may adversely affect our financial condition and results of operations.

With the aging of inventory balance, we may be required to write down inventories, which, if significant, may have a material and adverse impact on our financial condition and results of operations.

Our failure to maintain an effective quality control system may result in a material adverse effect on our business, reputation, financial condition and results of operations.

We have established a comprehensive quality management system covering R&D, supply chain management, and production processes, and obtained ISO9001 and IATF 16949 international quality management system certifications. As a result of the rigorous implementation of quality control policies and procedures, we did not experience any material product sales returns, product liability claims, or recalls during the Track Record Period up to the Latest Practicable Date.

Nevertheless, despite our systematic and standardized quality control approach, we cannot assure you that defects or unsatisfactory performance will not occur in the future. Defects may arise from technological difficulties, supply disruptions, substandard raw materials, or manual errors in manufacturing. Customers may return products or file warranty claims for quality issues. Increased product returns, recalls, or warranty obligations could lead to significant repair, replacement, and logistics costs.

In addition, product defects or perceived substandard quality, amplified by negative feedback on e-commerce platforms or social media, could damage our market reputation and reduce sales. As reliability is essential in providing vehicle smart imaging devices, any failure to consistently deliver high-quality products may materially and adversely affect our business, financial condition, and results of operations.

Our operations and production depend on a stable, timely and adequate supply of utilities and various services from third-party providers at commercially reasonable prices.

In addition to principal raw materials, we depend on the stable supply of utilities, including electricity, water, and network connectivity to maintain our production processes and overall operations. Our production volume, production efficiency, and cost control are directly dependent on our ability to source such utilities at acceptable prices and ensure an uninterrupted supply.

The prices of these utilities are subject to volatility driven by various factors beyond our control. These include inflation, disruptions to local infrastructure, supplier capacity constraints, general economic conditions, regional energy policy adjustments, demand from other manufacturing industries, and local or national regulatory requirements. There can be no assurance that shortages of utilities will not occur in the future, for example, power outages caused by extreme weather or grid maintenance, or that we will be able to pass on related cost increases to our customers through product price adjustments, especially amid intense market competition.

Significant fluctuations in utility costs may have a material impact on our profitability if we are unable to timely adjust product prices or optimize production processes to offset the increases. Such cost volatility may also erode our competitive advantages in terms of pricing and profit margins for affected products, particularly in price-sensitive markets or segments.

We are required to comply with economic sanctions and import and export controls laws and regulations that could subject us to liability and impair our ability to compete in overseas markets.

Our global business operations expose us to diverse economic sanctions and export control regulations across jurisdictions. We have exported our products to numerous countries and regions such as Asia (excluding Chinese mainland), America and Europe, and generated significant revenue from these overseas sales. If any of these export destinations impose economic sanctions, import restrictions, or tariff hikes targeting our products or vehicle smart imaging devices, our market access, sales volume, and profitability may be adversely affected.

We also rely on a global supply chain network to procure principal raw materials and production equipment, including SoC, CIS, lenses, memory chips and PCB. If countries or regions where we source these materials impose export controls, tariffs, or trade restrictions on critical components, or if any of our suppliers fail to comply with export control regulations, we may face disruptions to the steady supply of principal raw materials or equipment. This could lead to increased procurement costs, production delays, or inability to meet customer orders.

We conducted limited sales of hardware terminals and companion applications that were ultimately delivered to Iran (the "**Iran Transactions**"), generating aggregate revenue of US$3,463.4 in 2024 (approximately 0.001% of our total consolidated gross revenues for the Track Record Period) and nil in all other years of the Track Record Period. We permanently ceased all sales, product deliveries and business contacts with Iran prior to January 1, 2025 and have implemented internal policies and procedures to prevent any future sales or deliveries to Iran or any other comprehensively sanctioned jurisdiction, or any sanctioned person, organization or entity.

The International Sanctions Legal Adviser has advised that there is no apparent or material sanctions risk (whether primary or secondary) arising from the Iran Transactions or any of our historical activities or the **[REDACTED]** and that the sanctions risk exposure to our Group and all Relevant Persons is very low. For further details, see the section headed "Business — Regulatory review of certain historical trading activities."

Nevertheless, international sanctions regimes are complex, subject to frequent change and have an extraterritorial effect. Future changes in laws, regulations, interpretations or enforcement priorities, or any perceived sanctions-related risk by financial institutions, **[REDACTED]** or business partners, could lead to increased compliance costs, banking or payment disruptions, reputational harm or other adverse effects on our business, financial condition, results of operations and prospects. Any such developments could also adversely affect the **[REDACTED]** price and liquidity of our Shares.

We require significant capital resources to fund our operations and future business developments. If we cannot obtain additional capital in a timely manner and on favorable terms or at all, our growth prospects and future profitability may be materially and adversely affected.

Our business and growth strategies involve projects that are subject to significant uncertainties, including market volatility, regulatory changes, cost overruns, and operational disputes. There is no assurance that these projects will be completed on schedule, within initial budgets, or that they will achieve their anticipated commercial viability. Furthermore, if **[REDACTED]** from our existing operations are insufficient and we fail to obtain additional external financing on acceptable terms, we may be forced to delay, restructure, or abandon our expansion plans, which could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Our level of indebtedness may materially and adversely affect our ability to raise additional capital to fund our operations, expose us to interest rate risk, and prevent us from meeting our obligations under our indebtedness.

During the Track Record Period, we, to a certain extent, utilized bank borrowings to finance our capital expenditures as well as our operating activities. We expect that we may continue to do so in the future, and any failure to effectively manage our debt levels could adversely affect our liquidity. As of December 31, 2023, 2024 and 2025, our interest-bearing bank borrowings amounted to RMB26.0 million, RMB45.3 million and RMB41.2 million, respectively.

A high level of bank borrowings and gearing ratio may, among others, (i) make it more difficult for us to satisfy our obligations under our indebtedness, exposing us to the risk of default; (ii) subject a portion of our operating cash flow to debt repayment, which requires us to actively manage our liquidity for other operational needs; (iii) increase our vulnerability to adverse economic industry conditions; and (iv) limit our flexibility in planning for, or reacting to, changes in our business or in the industry in which we operate.

The restrictive covenants could result in a default concerning the related indebtedness. If a default occurs, the relevant lenders could demand immediate payment. This, in turn, could cause cross-default or payment acceleration of our other debts. If some or all of our debts are accelerated and become immediately due and payable, we may not have the funds to repay or the ability to refinance such debt.

Our trade payables are primarily in relation to our procurement of raw materials, components, and services from our suppliers. We may fail to settle trade payables in a timely manner, or at all, and we may not properly manage our liquidity to meet our short-term payment obligations.

As of December 31, 2023, 2024, and 2025, our trade payables amounted to RMB95.6 million, RMB80.1 million, and RMB126.5 million, respectively. Any adverse changes in our cash flows or financial condition may negatively affect our ability to settle associated trade payables, which could lead to a deterioration of our relationships with key suppliers, tightened credit terms, or supply chain disruptions. This would, in turn, materially and adversely affect our business, financial condition, and results of operations. As we grow our business, the amount of trade payables may increase, which may subject us to greater liquidity risks and working capital constraints.

We are subject to credit risks from our customers, and our inability to collect on our trade receivables from our customers may materially and adversely affect our cash flows, business, financial condition and results of operations.

Our trade receivables are in relation to our sales of products to customers. Our customers may fail to settle trade receivables in a timely manner, or at all, and we may not properly assess and respond in a timely manner to changes in their credit profiles and financial condition.

As of December 31, 2023, 2024, and 2025, our trade receivables amounted to RMB34.3 million, RMB18.8 million, and RMB16.3 million, respectively. For the years ended December 31, 2023, 2024 and 2025, we incurred impairment of trade receivables of RMB2.1 million, RMB2.1 million and RMB1.8 million, respectively. Adverse changes in our customers' financial condition may negatively affect the time to collect associated trade receivables measured at amortized cost or reduce the likelihood of ultimate collection, which would, in turn, materially and adversely affect our business, financial condition and results of operations. As we grow our business, the amount of trade receivables may increase, which may negatively impact our cash flow.

Interruption in or failure of IT, control and communication systems that we manage or that are managed by third parties with which we do business, including cyber-attacks to or other data security incidents, could materially and adversely affect us.

We rely significantly on our information technology, control, and communication systems to manage our business operations, production processes, and customer interactions. These systems, whether managed internally or by third-party service providers, are vulnerable to interruptions or failures caused by hardware malfunctions, software glitches, telecommunications failures, power outages, natural disasters, or human errors. In addition, our infrastructure may be subject to cyber-attacks, malicious software, ransomware, or unauthorized access that could compromise the integrity and availability of our network and operational data. Any prolonged interruption or systemic failure of these critical systems could disrupt our manufacturing workflows, delay product fulfillment, and impair our overall operational efficiency.

We cannot assure you that our defensive measures will be entirely effective against evolving cyber threats or system disruptions. Any security breach or operational failure could result in the loss or corruption of critical business data, damage our brand reputation, and require us to incur substantial capital expenditures to remediate and upgrade our IT infrastructure. Furthermore, we could face operational disputes with our business partners or potential legal liabilities arising from system downtimes. If any of these risks materialize, our sales channels, business operations, financial condition, and results of operations could be materially and adversely affected.

We are subject to complex and evolving laws and regulations regarding data privacy and protection. Any actual or perceived failure to comply with such requirements could materially and adversely affect our business and reputation.

During our operations, we collect, process, and store certain user data, such as account information and device usage data, through our smart imaging devices and our DDPAI App. The regulatory framework for data privacy, user protection, and information security is constantly evolving across the jurisdictions where our products are sold. We are required to comply with a variety of strict and continuously updated legal requirements concerning the collection, use, retention, sharing, and security of personal information.

Although we have implemented internal policies and security measures to ensure compliance with applicable data protection requirements, we cannot assure you that our measures will always be fully effective or immune to evolving regulatory scrutiny. Any unauthorized access, data breaches, or perceived failures to comply with applicable privacy regulations could result in government investigations, administrative fines, operational restrictions, and a severe loss of user trust. Furthermore, complying with newly introduced privacy standards may require us to incur substantial compliance costs and modify our existing product features, which could materially and adversely affect our business, financial condition, and results of operations.

Our business depends on our key senior management, key R&D and technical personnel, and our skilled labor force. Our business may be materially and adversely affected if we fail to retain them and/or fail to find a suitable replacement in case of the loss of services of any of them.

Our future success depends significantly on the continued service of our senior executives and key R&D personnel. Our management team possesses deep professional backgrounds in consumer electronics, automotive electronics R&D, and global brand operations, which are vital for our global market expansion and organizational development. Simultaneously, our R&D personnel, primarily senior engineers experienced in intelligent hardware and imaging technology, are indispensable for driving core technology research, optimizing production, and iterating on products. Any unexpected loss of service from these key individuals, coupled with the potential challenges in finding suitable replacements with comparable industry insights and ecosystem familiarity, could severely delay ongoing projects, hinder technological breakthroughs, and materially and adversely affect our business and operations.

Furthermore, our growth relies heavily on our ability to attract, train, and retain qualified professionals in a highly competitive market. The vehicle smart imaging device industry faces intense competition for talent, particularly in specialized fields such as AIoT, visual algorithms, chip development, and product design. To attract and retain key talent, we may be required to offer highly competitive compensation packages, including base salary, performance bonuses, and stock options, which would increase our operating expenses and could adversely affect our financial condition. If we fail to recruit or retain the necessary personnel due to intense industry competition or insufficient compensation, we may incur additional recruitment costs, and our R&D progress, market expansion pace, and long-term competitiveness could be severely disrupted.

We may be unable to sufficiently safeguard or enforce our intellectual property rights or to prevent third parties from copying or reverse engineering our products, the measures we take to defend and protect such intellectual property rights may be costly.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Our patents, software copyrights, trademarks, and other intellectual property cover areas such as AIoT, visual algorithms, chip development and product designs. Given the increasingly intense competition in the vehicle smart imaging device industry, if any of our intellectual property rights are invalidated, there is a risk that the technologies disclosed in the invalidated patents or claims may be imitated by competitors. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.

We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, such as addressing trademark squatting or patent infringement, which may be time-consuming and expensive to resolve and could divert our management's attention regardless of the outcome, and adversely affect our business, financial condition and results of operations. It can be difficult to register, maintain and enforce intellectual property rights in the jurisdictions where we operate, including both Chinese mainland and overseas markets. Laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently across regions. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. Any failure in protecting or enforcing our intellectual property rights, or any intellectual property litigation, disputes or invalidation of our intellectual property rights, may have a material and adverse effect on our business, financial condition and results of operations.

We may face claims of infringement on know-how and intellectual property rights by third parties, which, if resolved unfavorably, could result in the loss of rights and the obligation to pay damages.

We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights of third parties. In addition, there may be third-party patents, software copyrights, trademarks, and other intellectual property that are infringed upon by our products, services, or other aspects of our business without our knowledge, particularly as the industry's technological convergence accelerates and intellectual property layouts become increasingly complex.

Holders of such intellectual property rights may seek to enforce their rights against us in Chinese mainland or other jurisdictions where we operate. If any third-party infringement claims are brought against us, we may be forced to divert management's attention and other critical resources from core business operations to defend these claims, regardless of their merits. This diversion could delay project progress and increase operational costs.

Additionally, the application and interpretation of intellectual property laws in Chinese mainland and other jurisdictions are still evolving, and procedures and standards for granting and enforcing patents, software copyrights, trademarks, and other intellectual property may vary across regions. There can be no assurance that courts or regulatory authorities in Chinese mainland or overseas will agree with our analysis of intellectual property compliance.

If we were found to have violated the intellectual property rights of any third party, we may be subject to legal liability, including fines or compensation, prohibited from manufacturing, selling, or using the infringing products or technologies, or required to pay licensing fees to obtain the right to use such intellectual property. Alternatively, we may need to invest significant time, funds, and R&D resources to develop alternative technologies or products that avoid infringement. Any of these events could disrupt our production and sales, increase costs, damage our brand reputation, or lose market share, thereby materially and adversely affecting our business, financial condition, and results of operations.

We may not be able to protect our trade secrets and there is a risk of leakage of our key technologies.

In addition to our existing intellectual property rights and/or applications, we rely on trade secrets to protect our business and maintain our competitive position. These trade secrets include unpatented know-how, core technologies, and other proprietary information. Our principal business involves high technological sophistication, and these core technologies and technical information are regarded as our most critical confidential assets, developed and controlled by our R&D team through systematic collaboration, without dependence on any single individual.

Nevertheless, as our business continues to expand globally and management complexity increases, the risk of leakage of our core technologies and technical information may also rise if confidentiality measures are not fully implemented. We have signed confidentiality agreements with employees, especially R&D personnel and key business partners, and established internal access controls for technical data. However, there can be no guarantee that an employee or a third party will not make unauthorized use or disclosure of our proprietary confidential information, whether intentionally or inadvertently. If a competitor gains access to and exploits such information, our competitive advantages, including technological barriers and product differentiation, will be compromised, notwithstanding any legal action we might take against those responsible for the unauthorized disclosure.

Trade secrets are inherently difficult to protect, given that technological iteration is rapid and talent mobility is common. Our employees or business partners may intentionally or inadvertently disclose our trade secrets or core technical information to competitors, or such information may be misappropriated through other means. Enforcing a claim that a third party illegally obtains and uses our trade secrets is expensive, time-consuming, and subject to uncertain outcomes, especially across different jurisdictions with varying intellectual property protection standards. If we fail in prosecuting or defending any such claims, we may face not only monetary damages but also the loss of valuable intellectual property rights. Even if we succeed in such litigation, the process could consume substantial financial and human resources that would otherwise be allocated to R&D, market expansion, or other core business areas. Any leakage of our core technologies or technical information could weaken our market competitiveness, hinder product innovation, and have a material adverse effect on our business, competitive position, and long-term development.

We may be subject to additional contributions, late fees, or administrative penalties due to our failure to make full contributions to social insurance and housing provident funds for some of our employees.

Pursuant to applicable PRC laws and regulations, we are required to make contributions to the social insurance and housing provident fund for the benefit of our employees in China. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance contributions, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident fund contributions, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made by the relevant competent authorities to the courts for compulsory enforcement if the payment is not made within such time limit. The occurrence of any such events could have a material adverse effect on our business, financial condition and results of operations. In addition, according to Article 19(1) of the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in 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)》) (the "**New Judicial Interpretation**"), any agreement or undertaking that exempts an employer from paying social insurance contributions shall be deemed invalid. See "Regulatory Overview – Regulations on labour and employment – Housing provident fund" for further details.

Furthermore, as the interpretation and implementation of the labor-related regulations are evolving, we cannot assure you that our employment practices are, or will in the future be, fully in compliance with labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations, we cannot assure that such risks we may be exposed to will not have any adverse effect on our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints.

We are subject to a variety of occupational health and production safety laws and regulations.

We are subject to a variety of occupational health and production safety laws and regulations. Compliance with existing and future occupational health and production safety laws and regulations could subject us to costs or liabilities, including monetary damages and fines, impact our production capabilities, result in suspension of our business operations, and impact our overall financial performance. If we are held liable for damages in the event of any injury or violation of applicable occupational health or production safety laws or regulations, we may also be subject to adverse publicity and our business, financial conditions and results of operations could be materially and adversely affected.

Our business operations are subject to the risks relating to potential accidents arising from our operations and failure to comply with safety measures and procedures, and other unforeseen risks.

Our business involves the operation of manufacturing equipment and machinery, which, if improperly operated, may result in physical injuries or even fatalities. We require all our employees to comply with relevant safety measures and procedures relating to operations and production, as stipulated in our internal policies. There is no assurance that some of our employees will not contravene or violate our safety measures or that accidents will not occur in the future. We cannot guarantee that material workplace accidents or fatal accidents will not occur in the future. In such cases, we may be subject to government investigations and administrative penalties. Even if such accidents were not caused by our fault or negligence, such accidents may still cause us to incur substantial costs and damage to our reputation, such as negative publicity, which could adversely affect our business and financial condition and operating results. If work-related accidents resulting in employee injuries or deaths occur, we may be liable for claims from the employees and their families, in addition to fines or penalties. We cannot assure you that all risks relating to production safety incidents have been adequately covered by our existing insurance policies. If we incur substantial liabilities, which are not covered by our insurance policies, our business and financial condition and results of operations may be adversely affected.

We may not be able to detect or prevent fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which may subject us to liability and harm our reputation and business.

We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which could subject us to financial losses and penalties from governmental authorities. Our internal control procedures might not be effective enough to identify all instances of non-compliance, suspicious transactions, fraud, corruption or bribery in a timely manner. If such misconduct occurs, we may be subject to claims, fines or suspension of our operations and may suffer from negative publicity and reputational damage.

We have limited insurance coverage and may incur significant losses resulting from operating hazards, product liability claims, project construction or business interruptions.

Our operations involve the use, handling, generation, processing, storage, transportation and disposal of hazardous materials, which may result in fires, explosions, spills and other unexpected or dangerous accidents causing personal injuries or death, property damages, environmental damages and business interruption.

Our insurance on properties, equipment, health, fire and product liability is limited in scope and may not cover all claims relating to personal injury, property or environmental damage arising from incidents on our properties or relating to our operations. For risk exposure not covered by our insurance policies, we share the potential liability with counterparties in accordance with our agreements with such counterparties and applicable laws and regulations. Any occurrence of these or other incidents which are not insured under our existing insurance policies could have a material adverse effect on our business, financial condition or results of operations.

We are also exposed to risks associated with product liability claims if the use of our devices results in injury. We may not have adequate resources to satisfy a judgment if a successful claim is brought against us. If potential claims exceed the scope or amount of coverage under such insurance, our business could be materially and adversely affected.

In addition, the normal operation of our production plants may be interrupted by accidents caused by operating hazards, power supply disruptions, equipment failure, and natural disasters. Any significant damage or interruption to these production plants could still have a material and adverse effect on our results of operations.

Our production and operations are subject to extensive environmental protection laws and regulations, and costs for compliance with these laws and regulations may increase in the future.

Our production and operations are subject to various environmental protection laws and regulations in the PRC in relation to the discharge of wastewater, exhaust gas, solid wastes and gases in the course of production. The relevant PRC authorities may impose penalties, suspend operations, order rectification or close down the production facilities that fail to comply with such laws and regulations.

During our production process, exhaust gas and solid waste are discharged. In order to comply with the applicable environmental protection laws and regulations in the PRC, we have installed waste treatment facilities in our production facilities and engaged third-party service providers to treat the waste generated in our production process. Our business operations also involve the use and storage of chemicals that are potentially dangerous.

We cannot assure you that we will always correctly interpret the relevant laws and regulations and be in full compliance with the relevant laws and regulations at all times. If we are not in compliance with the applicable environmental protection laws and regulations or if our service providers fail to provide waste treatment services to the extent that keeps us in compliance with applicable PRC environmental protection laws and regulations, we may be required to rectify such non-compliance and may also be subject to fines, sanctions and remedial measures and substantial costs in connection with remedial measures, which may materially and adversely affect our business, financial performance and operating results.

Furthermore, the PRC government may promulgate new environmental protection laws and regulations and enforce more stringent interpretations of environmental protection laws and regulations in the future. As a result, additional costs may be incurred to introduce relevant preventive or remedial measures, adjust our production process, purchase new pollution control equipment and enhance our compliance and monitoring system to ensure compliance with such amended laws and regulations. In addition, our budget with respect to environmental compliance may not be sufficient to cover such costs and we may need to allocate additional funds for such purpose, which may materially and adversely affect our operation and financial performance. If we fail to introduce new preventive or remedial measures, make relevant adjustments to our production process, purchase new pollution control equipment or establish effective compliance and monitoring systems in a timely manner or at all, we may be subject to substantial fines or penalties as a result of such non-compliance and our business operations may be disrupted, thus materially and adversely affect our operations and financial performance.

If the PRC government imposes more stringent environmental protection laws and regulations, our production costs may substantially increase, or we may need to incur material capital expenditures or other costs in order to remain in compliance and we may not be able to pass on these additional costs to our customers.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control in the future could materially and adversely affect our business, results of operations, financial results and prospects.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions we conduct business. These regions may be under the threat of typhoons, tornadoes, snowstorms, earthquakes, floods, droughts, power shortages or failures, or are susceptible to epidemics, such as coronavirus, severe acute respiratory syndrome, avian influenza, H1N1 influenza, potential wars or terrorist attacks, riots, disturbances or strikes. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe communicable disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which could materially and adversely affect our operations. Acts of war or terrorism, riots or disturbances may also injure or cause deaths to our employees and disrupt our business network and operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely affect our business, financial condition and results of operations.

Work stoppage increases in employee benefit expenses and other labor-related matters may have a material and adverse effect on our business.

We believe that we have a good working relationship with our employees. We did not experience any material work stoppages, strikes or other major labor problems during the Track Record Period. However, there can be no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing employee benefit expenses, which may have an adverse effect on our business, financial condition and results of operations.

In addition, our employee benefit expenses incurred for our production personnel were RMB16.7 million, RMB16.1 million and RMB19.0 million, for the years ended December 31, 2023, 2024 and 2025, and could potentially continue to increase, which may further increase our cost of sales. Factors contributing to rising employee benefit expenses include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these expenses. The competition for skilled labor in our industry is intense, and we may be required to offer more attractive compensation packages to retain and attract qualified personnel.

We enjoy certain preferential tax treatments, government grants and certain favorable regulatory treatments. Any expiration or change of these preferential tax treatments and government grants could have a material and adverse effect on our operating results.

We currently benefit from several preferential tax treatments. See "Financial Information — Description of major components in our consolidated statements of comprehensive income — Income tax credit or expense" to this document for more information. The discontinuation of any of the preferential income tax treatments that we currently enjoy could have a material and adverse effect on our results of operations and financial condition. We cannot assure you that we will be able to receive such preferential tax treatments in the future.

In addition, we recorded government grants of RMB2.0 million, RMB0.8 million, and RMB0.8 million for the years ended December 31, 2023, 2024, and 2025, respectively. See "Financial Information — Description of major components in our consolidated statements of comprehensive income — Other income" in this document for more information. The amounts and conditions of such government grants are determined at the sole discretion of the relevant PRC authorities. We cannot assure you that we will continue to receive government grants at the same level, if at all, or that we will be able to secure new grants in the future. Even if we remain eligible to receive such government grants, we cannot guarantee that any conditions attached to the grants will be as favorable to us as they have historically been, or that the government grants would be awarded to us in a timely manner.

Our business requires a number of licenses, approvals, and permits, and our failure to obtain or renew these licenses, approvals, and permits in a timely manner may materially and adversely affect our business, results of operations, financial results and prospects.

Our business operations are subject to extensive regulatory requirements, necessitating the acquisition and maintenance of various licenses, approvals, and permits. We cannot guarantee our ability to successfully maintain, renew, or obtain these requisite authorizations in the future, particularly as regulatory standards for renewal and assessment may change over time or new compliance requirements may emerge. Any failure to obtain or renew such authorizations could lead to enforcement actions, including orders to cease operations and requirements for corrective measures, which would severely disrupt our business, significantly increase compliance costs, and result in a material adverse effect on our business, financial condition, and results of operations.

We are, and may in the future be, subject to legal, administrative and regulatory claims, proceedings and/or investigations in the ordinary course of our business.

In the ordinary course of business, claims involving customers and suppliers may be brought against us in connection with contracts. Claims may be brought against us for back charges for alleged defective or incomplete work, liabilities for defective products, personal injuries and deaths, damage to or destruction of property, breaches of warranty, delayed payments to our suppliers, late completion or other contractual disputes. The claims and back charges may involve actual damages and contractually agreed-upon liquidated sums. If we are found liable on any of the claims, we would have to incur a charge against our current earnings to the extent that adequate provisions had not been established for the matter in our accounts, or to the extent the claims were not sufficiently covered by our insurance coverage.

Both claims brought against us and by us, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. Amounts ultimately realized from our customers or other claims by us could differ materially from the balances included in our financial statements, resulting in a charge against earnings to the extent profit has already been accrued on a project or other contract. Charges associated with claims brought against us and write-downs associated with claims brought by us could have a material adverse impact on our business, financial condition, results of operations, and cash flows. Moreover, legal proceedings resulting in judgments or findings against us may harm our reputation and damage our prospects to secure vehicle smart imaging device contracts in the future.

Negative publicity and allegations involving us, our affiliates, Directors, officers, employees or business partners may adversely affect our reputation and, as a result, our business, financial condition and results of operations.

Negative publicity involving us or the vehicle smart imaging device industry may materially and adversely harm our brand image and reputation and cause a deterioration in the level of market recognition of and trust in the products and services provided by us, thereby resulting in the reduced customer visits and potential loss of revenue. Such negative publicity may also result in diversion of management's attention, and governmental investigations or other forms of scrutiny. These consequences may have a material and adverse effect on our business, results of operations, financial condition, and prospects.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We operate our business in Chinese mainland and overseas. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, inflation and the availability and cost of capital and credit have been and will continue to affect the markets where we operate. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Additionally, we are a company incorporated under the PRC laws and a majority of our assets are located in Chinese mainland, our financial condition, results of operations and prospects are subject to economic, political, and legal developments in China. Any changes in the global or local economy in the markets in which we operate may materially and adversely affect our business, results of operations and financial condition.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On February 24, 2023, the CSRC, the Ministry of Finance of the PRC, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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 "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of Chinese mainland enterprises, either in direct or indirect form, such Chinese mainland enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may continue to evolve, and any non-compliance therewith may materially adversely affect our business, prospects, results of operations, financial condition, and cash flows. See "Regulatory Overview – Regulations on overseas securities offering and listing."

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

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from filing with the CSRC or other regulatory authorities or other procedures is required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions from the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this **[REDACTED]** or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the **[REDACTED]** from the **[REDACTED]** into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

We are subject to risks associated with international trade policies, geopolitical developments, and global trade protection measures, which could adversely affect our business, financial condition and results of operations.

We have generated revenue from overseas markets, including Asia (excluding Chinese mainland), Europe and America, and our business is subject to risks associated with changes in international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions.

The United States and other jurisdictions have implemented various trade measures, including but not limited to tariffs, economic sanctions, and trade restrictions, which directly or indirectly affect companies based in certain jurisdictions. These measures could result in disruptions to established trade relationships and supply chains. Geopolitical and trade conflicts like this may also lead to volatility in financial markets, fluctuations in currency exchange rates and increased procurement costs. In extreme cases, such conflicts could result in economic downturns that adversely impact our operations. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if any government takes retaliatory trade actions due to recent global trade tensions, such changes could have an adverse effect on our business, financial condition and results of operations.

Likewise, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets, or affect our supply chain. In this regard, various trade, export controls, and economic sanctions laws and regulations may affect our businesses.

As our business depends on markets located oversea, any of these factors could have a material adverse effect on our and our consumers' business, prospects, financial condition, and results of operations. The current international trade tensions and political tensions, and any escalation of such tensions, may have a material negative impact on our ability to continue to sell to global consumers and further grow our user base. For example, if additional sanctions or export restrictions are imposed or if existing restrictions are expanded in certain jurisdictions where we have sales presence, our ability to continue to sell in these jurisdictions and expand into new jurisdictions could be limited, and we may be subject to additional compliance costs, which may adversely affect our global operations.

We are subject to PRC foreign exchange regulatory requirements, which may affect our liquidity, remittance ability, and dividend payments.

We receive substantial payments in RMB from our operations in Chinese mainland and also derive significant foreign currency proceeds from our overseas sales. To support our principal business operations in the PRC, we are required to convert foreign currency proceeds into RMB, and we may also need to convert RMB into foreign currencies to fund our business activities outside Chinese mainland. The convertibility of RMB into foreign currencies, the conversion of foreign currencies into RMB, and, in certain cases, the overseas remittance of any currency to or from Chinese mainland are all subject to specific regulatory requirements and foreign exchange control provisions under PRC laws and regulations.

Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require prior approval from the State Administration of Foreign Exchange ("**SAFE**"), but we are required to present documentary evidence of such transactions and conduct them through designated foreign exchange banks within China that are licensed to carry out foreign exchange business. Following the completion of the **[REDACTED]**, we will be able to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding the payment of dividends in foreign currencies will continue in the future.

Shortages in the availability of designated foreign currencies, restrictions on conversion or remittance, or changes in regulatory requirements may impair our ability to convert overseas foreign currency proceeds into usable RMB in a timely manner or to remit sufficient foreign currency to satisfy our foreign currency-denominated obligations. Any insufficiency of foreign exchange may restrict our ability to pay dividends to shareholders, purchase raw materials outside the Chinese mainland, or otherwise fund business activities conducted in foreign currencies. As a result, our operational liquidity, capital expenditure plans, and overall business operations could be materially and adversely affected.

Our operations are subject to tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

Holders of H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of H shares by such shareholders.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within China or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region (the "**Hong Kong SAR**") for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Double Taxation Arrangements**") executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in accordance with the PRC laws, but the levied tax (in the case the beneficial owner of the dividends is not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was newly revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which came into effect on January 20, 2025, if a non-resident enterprise has no presence or establishment within China, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within China with a reduced rate of 10%. Pursuant to the Double Taxation Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i)

5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; or (ii) otherwise, 10% of the total amount of dividends.

Considering the foregoing, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

There might be difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions against us or our Directors, supervisors, and senior management in the PRC.

We are incorporated in China. In addition, all of our Directors and senior management reside within Chinese mainland, and substantially all of our and their assets are located within the PRC. Therefore, it may be difficult and time-consuming for **[REDACTED]** to effect service of legal process upon us or our Directors and senior management from outside the PRC. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost.

On July 14, 2006, the Supreme People's Court of the PRC and the government of Hong Kong SAR entered into 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 Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"), which was taken into effect on August 1, 2008.

Pursuant to the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court of the PRC and the government of Hong Kong SAR signed 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》) (the "**2019 Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong SAR and the Chinese mainland. On January 29, 2024, the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院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》)(the "**2024 Arrangement**") was declared effective jointly by the Supreme People's Court of the PRC and the government of Hong Kong SAR, which has replaced the 2019 Arrangement. The 2024 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese mainland and those in Hong Kong.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for the H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the **[REDACTED]**, there has been no **[REDACTED]** for our H Shares. There can be no guarantee that an active **[REDACTED]** for our H Shares will develop or be sustained after completion of the **[REDACTED]**. The **[REDACTED]** is the result of negotiations between us and the **[REDACTED]** and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), which may not be indicative of the price at which our H Shares will be **[REDACTED]** following completion of the **[REDACTED]**. The **[REDACTED]** of our H Shares may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The **[REDACTED]** and **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the political uncertainties in Hong Kong and the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the **[REDACTED]** and **[REDACTED]** of our H Shares. In addition to market and industry factors, the **[REDACTED]** and **[REDACTED]** of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers and customers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

You will incur immediate and significant dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share, and may experience further dilution if we [REDACTED] additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** net tangible asset value. There can be no assurance that if we were to immediately liquidate after the **[REDACTED]**, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider **[REDACTED]** and **[REDACTED]** additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per Share of their Shares if we **[REDACTED]** additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] [REDACTED] following the [REDACTED] could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

The **[REDACTED]** of our H Shares could decline as a result of future **[REDACTED]** of a substantial number of our H Shares or other securities relating to our H Shares in the **[REDACTED]**, or the **[REDACTED]** of new shares or other securities, or the perception that such **[REDACTED]** or **[REDACTED]** may occur. Future **[REDACTED]**, or anticipated **[REDACTED]**, of substantial amounts of our securities, including any future **[REDACTED]**, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we **[REDACTED]** more securities in the future. New shares or share-linked securities **[REDACTED]** by us may also confer rights and privileges that take priority over those conferred by the H Shares.

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be **[REDACTED]** or **[REDACTED]** on an overseas stock exchange, provided that prior to the conversion and **[REDACTED]** of such converted shares, the requisite internal approval processes (but without the necessity of Shareholders' approval by class) have been duly completed and the approval from the relevant PRC regulatory authorities, including the CSRC, have been obtained. In addition, such conversion, **[REDACTED]** and **[REDACTED]** must comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the **[REDACTED]** of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. This could increase the supply of H Shares in the market, and future **[REDACTED]**, or perceived **[REDACTED]**, of the converted H Shares may materially and adversely affect the **[REDACTED]** of H Shares.

The interests of our Controlling Shareholders may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders have substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, business consolidation, the sale of all or substantially all of our assets, nomination of directors, dividends or other distributions, as well as other significant corporate actions. Immediately following the completion of the **[REDACTED]**, and assuming that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui and Shenzhen Yichen will become a group of our Controlling Shareholders, directly and indirectly holding an aggregate of approximately **[REDACTED]**% of the total issued share capital of our Company. See "Relationship with Our Controlling Shareholders" for further details. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the **[REDACTED]** of our H Shares. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

There can be no assurance of the accuracy or completeness of certain facts, forecasts, and other statistics obtained from various official government sources contained in this document.

This document contains information and statistics relating to the vehicle smart imaging device industry and other relevant industries. Such information and statistics have been derived from various official government sources. The information from official government sources has not been independently verified by us, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read this entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industry, or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage that contains information not disclosed or not consistent with the information included in this document.

Prior to the completion of the **[REDACTED]**, there may be press and media coverage regarding our Group and the **[REDACTED]**, which contained certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. Our Directors would like to emphasize to prospective **[REDACTED]** that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness or reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. In making decisions as to whether to **[REDACTED]** in our H Shares, prospective **[REDACTED]** should rely only on the financial, operational and other information included in this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, the applicant must have sufficient management presence in Hong Kong. This normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Our headquarters and business operations are based, managed and conducted in the PRC. Currently, all of our executive Directors ordinarily reside in the PRC. As our executive Directors play very important roles in our business operations, it is in our best interests for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily residents in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 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], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. Guo Xiaogang (郭孝剛) and Ms. Fung Sin Ting Karin (馮羨婷) ("**Ms. Fung**") as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by the Stock Exchange by phone, facsimile and/or email to promptly deal with enquiries from the Stock Exchange. Our Company has provided contact details of the authorized representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any change in our Company's authorized representatives;

(b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Each Director must provide his or her contact information to the Stock Exchange and the authorized representatives pursuant to Rule 3.20 of the Listing Rules;

(c) in the event that a Director expects to travel and/or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to the authorized representatives;

(d) we will endeavor to ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;

(e) we have appointed Somerley Capital Limited as our compliance advisor upon **[REDACTED]** pursuant to Rule 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 **[REDACTED]** in respect of our financial results for the first full financial year commencing after the **[REDACTED]**. Our compliance advisor will serve as the additional channel of communication with the Stock Exchange when our authorized representatives are not available and will have access at all times to our authorized representatives, our Directors and our senior management who will provide such information and assistance as our compliance advisor may reasonably request in connection with the performance of its duties as set out in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, our senior management and our compliance adviser, and will keep our compliance adviser fully informed of all communications and dealings between us and the Stock Exchange; and

(f) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, an issuer must appoint a 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 the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

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

(b) 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;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the applicant has principal business activities primarily outside Hong Kong;

(b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Chapter 3.10 of the Guide for New Listing Applicants) or Relevant Experience (as defined under Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the applicant's company secretary.

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) 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

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Company's principal business activities are located outside of Hong Kong and there are practical difficulties in finding persons who possess day-to-day knowledge of our Company's affairs while also having the academic and professional qualifications as required. Our Company has appointed Mr. Ma Yiding（馬一丁）("**Mr. Ma**") as one of our joint company secretaries. Our Directors are of the view that, considering Mr. Ma's past management experience within our Group, his thorough understanding of the internal administration and business operations of our Group as well as his industry knowledge, he is a suitable person to act as a joint company secretary of our Company. However, he presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Fung, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Ma for an initial period of three years from the **[REDACTED]** to enable him to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. Further biographical details of Mr. Ma and Ms. Fung are set out in the section headed "Directors and Senior Management" in this document.

Given Ms. Fung's professional qualification and experience, she will be able to explain to both Mr. Ma and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Fung will also assist Mr. Ma in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Fung is expected to work closely with Mr. Ma and will maintain regular contact with him, our Directors and our senior management. In addition, Mr. Ma will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the **[REDACTED]**. He will also be assisted by our compliance advisor and our legal adviser as to Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Accordingly, we have applied to the 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. Ma may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the **[REDACTED]** on the conditions that (a) Mr. Ma must be assisted by Ms. Fung who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Fung ceases to provide assistance to Mr. Ma as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Ma will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. Our Company must demonstrate and seek the Stock Exchange's confirmation that Mr. Ma, having benefited from the assistance of Ms. Fung for the preceding three years, has 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.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Luo Yong（羅勇）	A1101, Building 1, Langqin Peninsula, 63 Gaoxin South Ring, Nanshan District, Shenzhen, Guangdong, PRC	Chinese
Mr. Yu Yunhui（喻運輝）	Room 501, Unit B, Building 1, Lingxiang Huafu, Bao'an District, Shenzhen, Guangdong, PRC	Chinese
Mr. Wang Kai（王凱）	Room 2204, Block D, Building 2, Jinlu Garden, 29 Antuoshan Sixth Road, Futian District, Shenzhen, Guangdong, PRC	Chinese
Mr. Guo Xiaogang（郭孝剛）	Room N202, Xiangzhangju, Vanke City, Bantian Subdistrict, Longgang District, Shenzhen, Guangdong, PRC	Chinese
Independent non-executive Directors		
Ms. Li Caiyun（李彩雲）	Room 204, Unit 1, Building 2, Changjiang Zhi Ge, Yijiang District, Wuhu, Anhui, PRC	Chinese
Mr. Li Xu（李煦）	Flat F, 9/F, Block 2, Fleur Pavilia, 1 Kai Yuen Street, North Point, Hong Kong	Chinese (Hong Kong)
Mr. Kang Yi（康毅）	Room 1C , Unit 2, Building 10, Xiangshanli Phase II, Shahe Street, Nanshan District, Shenzhen, Guangdong, PRC	Chinese (Hong Kong)

For further information with respect to our Directors, please refer to the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**CEB International Capital Corporation Limited** 34/F – 35/F, Everbright Centre, 108 Gloucester Road, Wan Chai, Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

Legal Advisers to our Company	*As to Hong Kong laws:* **Jia Yuan Law Office** Suites 3502-3503, 35/F, One Exchange Square, 8 Connaught Place, Hong Kong *As to PRC laws:* **Jia Yuan Law Offices** F408, Ocean Plaza, 158 Fuxing Men Nei Street, Xicheng District, Beijing, PRC *As to Malaysian laws:* **Shook Lin & Bok** 20th Floor, AmBank Group Building, 55 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia *As to Saudi Arabian laws:* **Afnan Abdulbaset Alnamnakani Law Firm** 601 Mazaya Tower, Al Olaya, Riyadh, Kingdom of Saudi Arabia *As to Philippine laws:* **Villablagon & Associates Law Firm** 51 & 52 Ilocos Sur Street, Barangay Ramon Magsaysay, Quezon City, Republic of the Philippines *As to export control and sanctions laws:* **Stephen Peepels, Esq.** 51 Tung Street, 1st Floor, Meehan House, Sheung Wan, Hong Kong

Legal Advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong laws:* **Eric Chow & Co. in Association with Commerce & Finance Law Offices** Room 3401, Alexandra House, 18 Chater Road, Central, Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 12-14th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing, PRC
Auditor and Reporting Accountant	**Rongcheng (Hong Kong) CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* Unit 4301-07, 43/F, Cosco Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square, 1717 Nanjing West Road, Shanghai, PRC
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

Registered Office and Headquarters in Chinese Mainland	Room 2801, Block A, Building 8, Shenzhen International Innovation Valley, Dashi First Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen, Guangdong, PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Company Website	**www.ddpai.com** *(the information contained on this website does not form part of this document)*
Joint Company Secretaries	**Mr. Ma Yiding**（馬一丁） Room 2801, Block A, Building 8, Shenzhen International Innovation Valley, Dashi First Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen, Guangdong, PRC **Ms. Fung Sin Ting Karin**（馮羨婷） 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Authorized Representatives	**Mr. Guo Xiaogang**（郭孝剛） Room N202, Xiangzhangju, Vanke City, Bantian Subdistrict, Longgang District, Shenzhen, Guangdong, PRC **Ms. Fung Sin Ting Karin**（馮羨婷） 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Audit Committee	Mr. Li Xu（李煦）*(Chairman)* Ms. Li Caiyun（李彩雲） Mr. Kang Yi（康毅）

Remuneration Committee	Mr. Kang Yi（康毅）*(Chairman)* Ms. Li Caiyun（李彩雲） Mr. Luo Yong（羅勇）
Nomination Committee	Mr. Luo Yong（羅勇）*(Chairman)* Ms. Li Caiyun（李彩雲） Mr. Kang Yi（康毅）
[REDACTED]	**[REDACTED]**
Compliance Adviser	**Somerley Capital Limited** 20/F, China Building, 29 Queen's Road Central, Hong Kong
Principal Banks	**Bank of China, Shenzhen Times Financial Center Sub-branch** 101, 102, 103, Times Financial Center, West of Yitian Road, South of Shennan Avenue, Futian District, Shenzhen, Guangdong, PRC
	Bank of Communications, Shenzhen OCT Sub-branch 1st Floor, City Inn, 7 Guangqiao Street, Overseas Chinese Town, Nanshan District, Shenzhen, Guangdong, PRC
	Agricultural Bank of China, Sci-Tech Park Sub-branch 7 Keyuan Road, Nanshan District, Shenzhen, Guangdong, PRC

The information and statistics set out in this section and other sections of this document were extracted from the industry report commissioned by us and independently prepared by Frost & Sullivan, in connection with the **[REDACTED]**. *In addition, certain information is based on, derived or extracted from, among other sources, publications of different government authorities and internal organizations, market statistics providers, communications with various PRC government agencies or other independent third-party sources unless otherwise indicated. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information and statistics from official government sources have not been independently verified by us, the Sole Sponsor, the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, **[REDACTED]**, *or any of their respective directors, advisers and affiliates, or any other person or parties involved in the* **[REDACTED]**, *and no representation is given as to their accuracy.*

OVERVIEW OF TRAVEL-ORIENTED PORTABLE SMART IMAGING DEVICE INDUSTRY

Definition

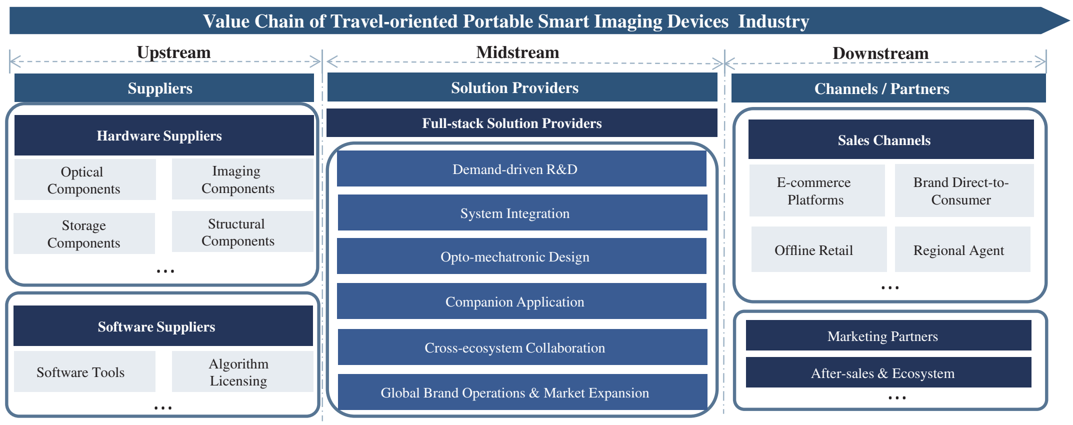
Travel-oriented Portable Smart Imaging Devices refer to independent computing hardware terminals designed for travel, outdoor sports, and content creation scenarios. They encompass aftermarket vehicle smart imaging devices used for vehicle recording, outdoor and action smart imaging devices designed for sports and adventure activities, and handheld smart imaging devices used for content creation scenarios such as vlogging. These devices typically build on core imaging hardware with algorithm- and AI-enabled enhancements and are supported by companion applications and cloud services to enable an integrated experience across capture, management, editing, and sharing.

Value chain

The upstream segment comprises specialized hardware and software suppliers providing the foundational building blocks of imaging devices. Hardware suppliers deliver critical physical elements such as image sensors, SoC, and high-performance storage modules, while software suppliers provide essential algorithm licensing and software development tools. These providers enable the raw capturing and processing capabilities that define the basic performance of the final hardware terminal.

Midstream players, act as the core orchestrators by integrating hardware and software into independent computing terminals through demand-driven R&D and sophisticated system engineering. They are responsible for complex opto-mechatronic design, the development of companion applications, and the management of cross-ecosystem collaborations. Beyond manufacturing, these firms drive global brand operations and market expansion by tailoring specialized imaging solutions to unique regional demands.

The downstream segment manages a diverse array of sales channels, ranging from global e-commerce platforms and Direct-to-Consumer (DTC) sites to offline retail networks and regional agents. This segment also incorporates vital marketing partners and after-sales ecosystems that facilitate user-generated content and community engagement. By leveraging strategic B2B alliances and digital marketing, downstream entities ensure broad market penetration and sustained customer loyalty.



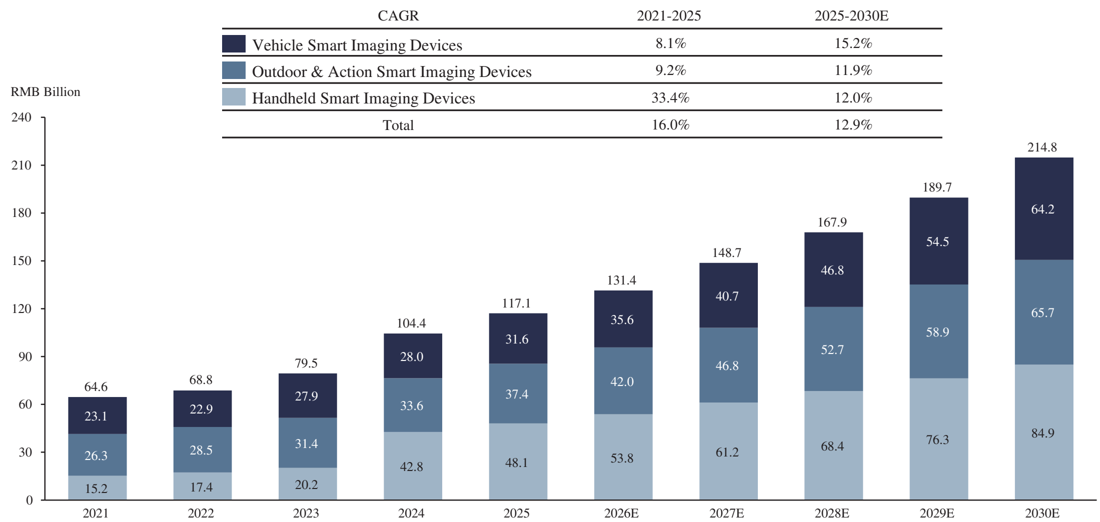
Source: Frost & Sullivan

Market Size of Global Travel-oriented Portable Smart Imaging Devices Industry

From 2021 to 2025, global revenue of the travel-oriented portable smart imaging devices industry increased from RMB64.6 billion to RMB117.1 billion, representing a CAGR of 16.0%. Over the same period, vehicle smart imaging devices segment grew from RMB23.1 billion to RMB31.6 billion, with a CAGR of 8.1%. Outdoor & action smart imaging devices segment expanded from RMB26.3 billion to RMB37.4 billion, with a CAGR of 9.2%. Handheld smart imaging devices segment rose from RMB15.2 billion to RMB48.1 billion, with a CAGR of 33.4%, which was primarily propelled by the launch of hit products. The industry maintained steady expansion during the historical period, supported by the contentization of travel and outdoor scenarios, while ongoing imaging hardware upgrades and stronger computational photography improved usability and output stability in challenging environments, encouraging broader adoption of dedicated devices as a complement to smartphones.

From 2025 to 2030, total industry revenue is expected to increase from RMB117.1 billion to RMB214.8 billion, implying a CAGR of 12.9%. Vehicle smart imaging devices segment is forecast to grow to RMB64.2 billion, with a CAGR of 15.2%. Outdoor & action smart imaging devices segment is projected to expand to RMB65.7 billion, with a CAGR of 11.9%. Handheld smart imaging devices segment is expected to grow steadily to RMB84.9 billion, with a moderate CAGR of 12.0%. Growth momentum will be driven by continued demand expansion across in-vehicle and outdoor capture scenarios, AI-enabled video processing and creation that lowers editing barriers, and improving companion app and cloud services that enhance media management, faster content output, and cross-platform sharing efficiency, thereby shifting competition toward integrated capabilities across hardware, software, and services.

Market Size of Global Travel-oriented Portable Smart Imaging Devices Industry, by Revenue, 2021-2030E



Note:

1) The exchange rate used in the report is 1 US dollar = 7.14 RMB, according to the Chinese foreign exchange trading system.

2) The market size reflects retail sales value.

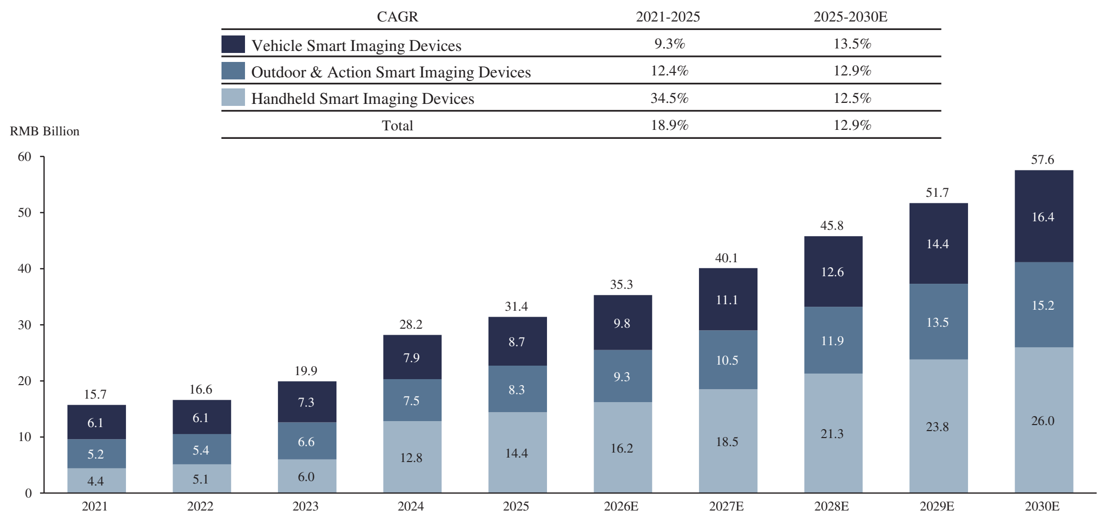
Source: Consumer Technology Association (CTA), Frost & Sullivan

Market Size of Travel-oriented Portable Smart Imaging Devices Industry in the PRC

From 2021 to 2025, the travel-oriented portable smart imaging devices industry in the PRC increased from RMB15.7 billion to RMB31.4 billion, representing a CAGR of 18.9%. Vehicle smart imaging devices segment grew from RMB6.1 billion to RMB8.7 billion, with a CAGR of 9.3%. Outdoor & action smart imaging devices segment expanded from RMB5.2 billion to RMB8.3 billion, with a CAGR of 12.4%. Handheld smart imaging devices segment rose from RMB4.4 billion to RMB14.4 billion, with a CAGR of 34.5%, which was propelled by the launch of hit products. Historical growth was closely supported by the highly active local content ecosystem in the PRC, where short video and social platforms reinforced high-frequency capture, editing and sharing behaviors, alongside rising penetration of local travel and self-driving trips that sustained demand across in-vehicle and outdoor scenarios. In parallel, the mature consumer electronics supply chain and manufacturing base in the PRC enabled rapid product iteration, allowing imaging hardware upgrades and computational photography capabilities to scale into broader product tiers and support wider adoption of dedicated devices.

From 2025 to 2030, total revenue is expected to rise to RMB57.6 billion, implying a CAGR of 12.9%. Vehicle smart imaging devices segment is forecast to reach RMB16.4 billion, with a CAGR of 13.5%. Outdoor & action smart imaging devices segment is projected to increase to RMB15.2 billion, with a CAGR of 12.9%. Handheld smart imaging devices segment is expected to rise to RMB26.0 billion, with a moderate CAGR of 12.5%. Growth will be supported by the continuous expansion of in-vehicle and outdoor capture scenarios, growing content creation and sharing needs, and improved efficiency in content production and media management brought by AI-enabled video processing, companion apps and cloud services. Industry competition is evolving towards integrated hardware, software and service capabilities.

Market Size of Travel-oriented Portable Smart Imaging Devices Industry in the PRC, by Revenue, 2021-2030E



Note: The market size reflects retail sales value.

Source: China Center of Information Industry Development (CCID), Frost & Sullivan

Market Drivers

Continuous Upgrades in Imaging Technology

Supply-side upgrades of Travel-oriented Portable Smart Imaging Devices are driven by improvements in imaging hardware and stronger computational photography, enabling these devices to better meet diverse consumer demands across various challenging environments. On the hardware side, ongoing optimization of higher-performance video SoCs and image sensors, continues to lift baseline image quality in HDR, low-light, and motion scenarios. On the software side, algorithm– and AI-enabled enhancements, such as multi-frame fusion, noise reduction, HDR, stabilization, and scene optimization, improve capture stability and usability. Overall, hardware upgrades are easier to standardize through the supply chain, while computational photography depends more on software capabilities and long-term iteration, making it a key differentiator for leading brands.

Rising Demand for Travel and Outdoor Recording

Demand growth is fundamentally driven by an intensifying desire for self-exploration and personalized expression, leading to the increasing "contentization" of travel and outdoor scenarios. As activities such as road trips, cycling, and camping become more mainstream, users are placing higher demands on stable recording in complex environments, particularly in use cases involving high vibration, extreme weather, underwater conditions, or long-duration continuous capture, where smartphones are often insufficient. Meanwhile, the widespread adoption of short-form video platforms and vlogging has significantly shortened the content creation cycle, with users increasingly adopting a continuous "capture–light edit–instant share" behavior pattern. This shift is driving stronger demand for fast editing and seamless sharing capabilities, accelerating the transformation of imaging devices from pure recording tools into content creation tools.

Global Expansion of Chinese Brands

Supported by China's strong manufacturing ecosystem, the global expansion of Chinese brands is creating new growth opportunities in portable travel-oriented smart imaging devices. Beyond traditional advantages in supply-chain efficiency and scaled delivery, Chinese players are increasingly leveraging a deeper understanding of global lifestyle trends, enabling products that better align with consumer demand for self-expression and outdoor travel experiences. By refining product definition and strengthening localized operations, leading brands are accelerating overseas channel development and software ecosystem integration to enhance user engagement and long-term retention. As overseas demand for in-vehicle and action imaging continues to grow, industry competition is shifting from standalone hardware performance to integrated "hardware + software + services" capabilities, positioning Chinese brands to capture greater global market share.

Future trends

AI-enabled Video Processing and Creation

Future travelers will demand effortless, story-ready videos: instead of recording long, unedited footage and spending hours cutting it down, they will expect a near-instant, polished narrative that captures the moments they care about. AI can enable this by embedding intelligence across capture and post-production: real-time stabilization, auto-framing and subject tracking during recording; automatic shot segmentation, semantic highlight extraction, and one-tap story assembly in post; and personalization that learns a user's preferences to prioritize scenes and tone. Multimodal fusion of device sensors, user and vehicle metadata, and short questionnaires lets the system generate context-rich, platform-formatted clips (e.g., Reels vs. Stories) with AI-suggested music, captions, and pacing. The result is an always-on, cross-device AI agent that turns raw travel footage into shareable, emotionally coherent videos with minimal user effort.

Hardware-Software-Cloud Platform Integration

Users will require a seamless, unified platform to manage and publish media across in-vehicle, outdoor, and handheld devices, eliminating fragmented workflows and manual file coordination. AI can enable this by automatically aggregating and synchronizing footage, generating rich metadata through content-aware tagging and semantic indexing, and providing intelligent search and auto-curation to surface relevant clips. In the cloud, AI-driven rendering and format conversion will deliver high-quality, platform-optimized exports while adaptive transfer and storage policies minimize latency and cost. Automated privacy and permission management will enforce user preferences and regulatory constraints across devices. Together, these capabilities create a consistent cross-device experience that reduces user effort, shortens time-to-publish, and strengthens retention and monetization opportunities.

OVERVIEW OF VEHICLE SMART IMAGING DEVICE INDUSTRY

Definition

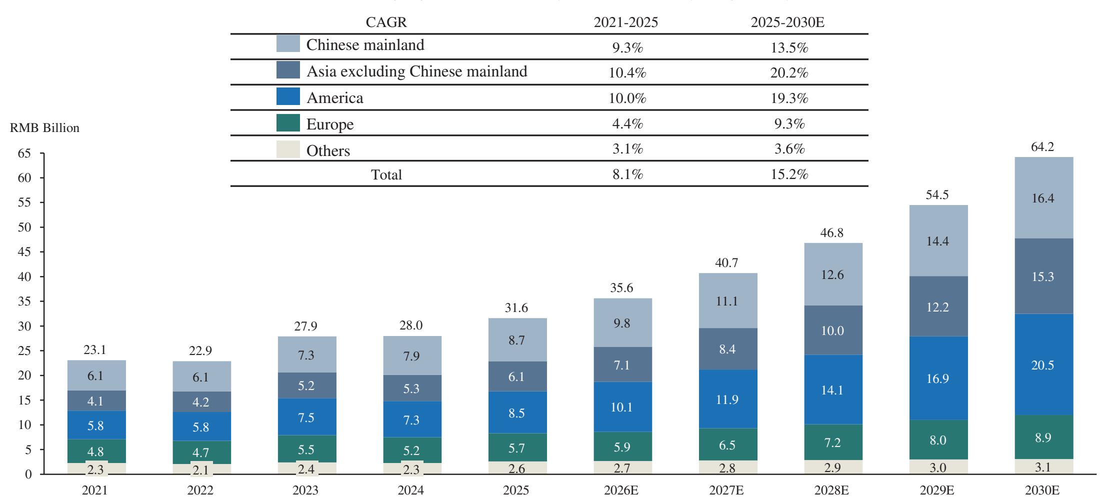
A vehicle smart imaging device is a specialized electronic device installed in vehicles to capture and store real-time video and audio data during driving. Serving as a "digital witness" for on-road scenarios, it is primarily designed to record traffic conditions, vehicle movements, and unexpected events such as collisions or disputes. Together with supporting software systems, accessories and value-added services, dash cams have evolved from basic recording tools into multi-functional devices integrated with entertainment, connectivity, and artificial intelligence capabilities, playing an increasingly important role in ensuring driving safety, protecting user rights, and enhancing in-vehicle experiences.

Market Size of Global Vehicle Smart Imaging Device Industry

From 2021 to 2025, the global vehicle smart imaging device industry expanded from RMB23.1 billion to RMB31.6 billion, registering a CAGR of 8.1%. Among regional segments, Chinese mainland emerged as the core growth engine, with market size growing from RMB6.1 billion to RMB8.7 billion with a CAGR of 9.3%. The market size of America followed closely, expanding from RMB5.8 billion to RMB8.5 billion at a CAGR of 10.0%, while the market size of Asia excluding Chinese mainland rose from RMB4.1 billion to RMB6.1 billion with a CAGR of 10.4%. Europe, as a mature market, grew moderately from RMB4.8 billion to RMB5.7 billion at a CAGR of 4.4%, and the "Others" segment (including Africa, etc.) saw modest growth from RMB2.3 billion to RMB2.6 billion with a CAGR of 3.1%. Growth in this phase was primarily driven by the rising adoption of basic driving safety and recording systems in passenger vehicles across key markets.

By 2030, the global vehicle smart imaging device market is projected to surge from RMB31.6 billion in 2025 to RMB64.2 billion, reflecting an accelerated CAGR of 15.2% driven by AI integration and smart travel demand. The market size of Chinese mainland is expected to grow to RMB16.4 billion with a CAGR of 13.5%. America market will expand to RMB20.5 billion at a CAGR of 19.3%, while the market size of Asia excluding Chinese mainland is forecast to reach RMB15.3 billion with a CAGR of 20.2%. Europe segment is anticipated to grow steadily to RMB8.9 billion at a CAGR of 9.3%, and the "Others" segment is set to witness accelerated growth to RMB3.1 billion with a CAGR of 3.6%. This projected expansion will be underpinned by the deep integration of AI-enabled creative functions, the popularization of smart cockpits, and the rising demand for personalized travel video content in the post-pandemic era.

Market Size of Global Vehicle Smart Imaging Device Industry, Breakdown by Region, by Revenue, 2021-2030E



Notes:

1) Others mainly include Australia and Africa

2) The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

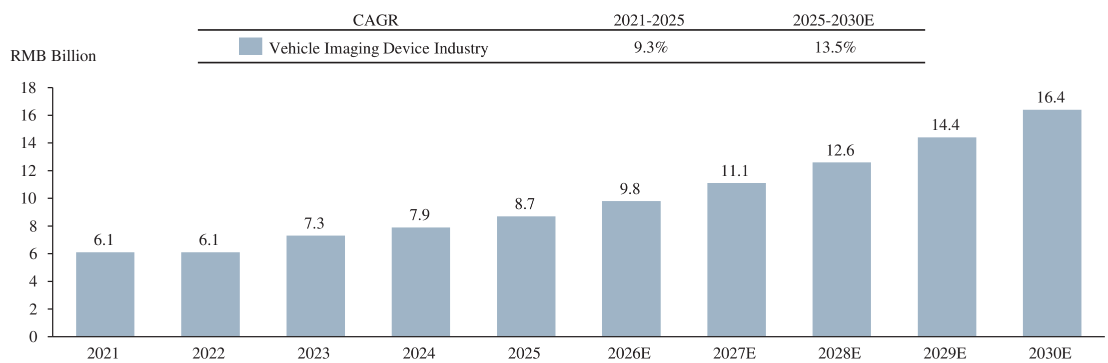
Source: International Organization of Motor Vehicle Manufacturers (OICA), Frost & Sullivan

Market Size of Vehicle Smart Imaging Device Industry in the PRC

From 2021 to 2025, the market size of vehicle smart imaging device industry in the PRC expanded from RMB6.1 billion in 2021 to RMB8.7 billion in 2025, reflecting a CAGR of 9.3% during this period. Growth was primarily supported by the increasing vehicle parc and new vehicle sales in China as well as rising consumer awareness of driving safety.

By 2030, the market size of vehicle smart imaging device industry in the PRC is projected to reach RMB16.4 billion, expanding at a CAGR of 13.5% from 2025 to 2030. Against a relatively moderate overall growth pace compared with the global market, the domestic aftermarket segment will continue to develop steadily. This trend is fueled by the evolving role of automobiles as the mobile third space, as well as the integration of artificial intelligence and smart interactive functions into aftermarket imaging products to enrich in-vehicle experience. These developments are expected to drive demand for higher-value products.

Market Size of Vehicle Smart Imaging Device Industry in the PRC, by Revenue, 2021-2030E



Source: Shenzhen Automotive Electronics Industry Association (AEIA), Frost & Sullivan

Market Drivers

Vehicles Evolve into Mobile Third Spaces

In 2025, China's passenger car parc reached 366 million units while the global vehicle stock is widely estimated at 1.6–1.7 billion units, laying a massive foundational user base for in-vehicle smart devices. With the widespread adoption of intelligent vehicles, the automobile has evolved from a traditional means of transportation into a mobile third space, serving as an important daily scenario for users beyond home and the workplace. This transformation has given rise to an automotive culture centered on entertainment, relaxation and intelligent interaction, driving strong demand for vehicle-mounted smart imaging devices. This trend is further accelerated by the booming smart cockpit industry, which is projected to surge from approximately RMB478.4 billion in 2025 to RMB1,330.5 billion by 2030, creating a massive incremental market for integrated visual systems. Consequently, these devices are no longer just optional accessories but have become essential components for users to document their intelligent travel journeys, monitor vehicle status, and interact with the surrounding driving environment, thus fueling the market growth of vehicle smart imaging device industry.

From Passive Recording to Proactive Safeguarding

The market growth logic of vehicle smart imaging devices is increasingly centered on the enhancement of their core safety utility, evolving from simple passive recording to a comprehensive proactive safeguarding system. Initially used primarily to record traffic accidents for liability determination, these terminals are now being redefined by their dual capabilities in pre-incident prevention and post-incident traceability. On one hand, the integration of advanced sensors and AI algorithms allows devices to offer proactive prevention, such as real-time ADAS alerts that warn of potential collisions or lane departures, significantly reducing the probability of accidents. On the other hand, for post-incident traceability, the focus has shifted toward high-precision evidence retrieval, where improved imaging resolution and cloud-synchronized storage enable faster, more accurate searches and timeline reconstruction. This continuous strengthening of the device's utilitarian safety value remains a contributing driver for market penetration and product iteration.

Content-oriented Travel Recording Scenarios

Travel recording scenarios have gradually become daily and content-oriented, marking the transition of vehicle smart imaging devices from pure functional tools to important content carriers. With the improvement of people's living standards and the popularization of social media, recording and sharing travel experiences has become an integral part of modern lifestyle. Drivers now use vehicle smart imaging devices to capture not only traffic incidents but also daily commuting highlights, weekend getaways, and road trips. The generated content is widely shared on social platforms, forming a unique travel content ecosystem. This trend is further reinforced by the rapid growth of the global vehicle C-end community SaaS industry, which expanded from RMB4.4 billion in 2021 to RMB13.4 billion in 2025 with a CAGR of 32.1% and is projected to reach RMB44.4 billion by 2030, underscoring the rising demand for in-vehicle content sharing and community engagement. This has significantly boosted the demand for high-performance, user-friendly vehicle smart imaging devices, as users pursue clearer image quality, more convenient content editing and sharing functions, which in turn drives the continuous development and upgrading of the market.

AI-Powered Smart Imaging Capabilities

The evolution of vehicle smart imaging devices is shifting from passive recording to becoming intelligent agents that perceive and interpret the physical world, acting as an essential extension of human vision. Current terminals not only perform passive recording, but also actively identify and understand the environment in real time. By leveraging the collaboration between edge-based lightweight large models and cloud-based large models, these devices function as a sensory extension, helping drivers perceive hidden risks and complex road semantics that beyond visual range, such as ultra-long-range obstacle detection and 360-degree blind-spot awareness. Furthermore, AI enables to analyzes travel habits and real-time road conditions to recommend optimal routes and nearby services. As a key interactive component of smart cockpits, AI-powered imaging devices continue to enrich practical functions and create real value for users across all travel scenarios.

Future Trends

Popularization of Multi-Perspective Linkage and Multi-Terminal Collaborative Shooting

The popularization of multi-perspective linkage and multi-terminal collaborative shooting will become a prominent trend in the vehicle smart imaging device market. With the continuous advancement of intelligent driving technology and the increasing demand for comprehensive travel perception, a single perspective can no longer meet users' needs for all-round scene recording. As the average number of automotive cameras has increased from about 2.1 per vehicle in 2020 to approximately 6–8 per vehicle in 2030, future vehicle smart imaging devices will form a multi-camera linkage system covering front, rear, side, and in-car perspectives, realizing seamless stitching of images from multiple angles to present a complete travel scene. Meanwhile, the collaborative shooting between vehicle-mounted imaging terminals and mobile devices, smart wearables, and other terminals will be further strengthened. Users can synchronously record travel content through multiple devices and realize real-time data sharing and integrated editing, which not only enriches the forms of travel recording but also expands the application scenarios of vehicle smart imaging devices.

Deepening of AI-Powered Intelligent Editing and Content Distribution

AI empowerment will drive the deepening development of intelligent editing and content distribution in the vehicle smart imaging device market. With the integration of advanced AI algorithms such as computer vision and natural language processing, vehicle smart imaging devices will be able to automatically identify key information in travel videos, such as scenic spots, characters, and wonderful driving moments, and complete intelligent editing tasks including clip selection, background music matching, and subtitle generation without manual intervention. On the content distribution side, AI will realize precise push of travel content based on user preferences and social platform characteristics, helping users quickly share high-quality travel content to relevant platforms. This deep integration of AI and content production and distribution will greatly improve the user experience, enhance the value of vehicle smart imaging devices, and promote the sustainable development of the market.

AI Agent and Smart Mobility Ecosystems

Driven by rapid advances in AI, IoT, and connected vehicle technologies, the vehicle smart imaging industry is shifting from competition among standalone hardware products toward competition among integrated ecosystem platforms. The global connected vehicle parc is projected to exceed 800 million vehicles by 2030, forming a highly interconnected mobility network that spans in-vehicle recording, end-to-end mobility scenarios, intelligent interaction, and lifestyle services, with deeper integration of devices, data, content, and services across the user lifecycle. In parallel, the fast-growing AI agent market (expanding at a CAGR of over 30% from 2025 to 2030), together with breakthroughs in large language models, multimodal perception, and robotics, is accelerating the transformation of vehicle smart imaging devices becoming key interfaces for AI agent-based services. Serving as a key entry point enabling cars to function as the mobile third space, they will bring intelligent cockpit experiences, AI-powered interaction and smart mobility services to a broad installed base of legacy and internal combustion engine vehicles, narrowing the intelligence gap between existing legacy vehicles and new-generation smart vehicles.

COMPETITIVE LANDSCAPE

Rankings

1. Ranking of Global Vehicle Smart Imaging Device Companies, by Market Share Measured by Revenue[1] (2025)

Ranking	Company	Listing Status	Market Share in Global Vehicle Smart Imaging Device Industry, 2025
1	Company A[2]	Listed	3.3%
2	Company B[3]	Unlisted	3.2%
3	Company C[4]	Unlisted	2.9%
4	Company D[5]	Unlisted	2.0%
5	***The Company***	***Unlisted***	***1.5%***
		Top 5 Subtotal	**12.8%**

Notes:

(1) Revenue is measured by shipment price.

(2) Headquartered in South Korea, founded in 1997, it is a key player in advanced automotive electronics, specializing in ADAS-integrated vehicle smart imaging devices; its main markets cover Asia, Europe, and North America.

(3) Headquartered in the UK, founded in 1999, it focuses on vehicle safety electronics (primarily vehicle smart imaging devices) with user-friendly designs; its products are widely distributed across Europe, North America, and Asia-Pacific regions.

(4) Headquartered in China, founded in 2016, it focuses on intelligent automotive electronics (such as vehicle smart imaging devices and in-car accessories); its cost-effective products are popular in China, Southeast Asia, and European consumer markets.

(5) Headquartered in China, founded in 2020, it is a fast-growing innovative brand in the global automotive electronics market. Specializing in high-definition smart dash cams and rangefinders, its main markets covers the North American and European e-commerce markets.

Source: Annual reports, Frost & Sullivan

2. Ranking of Global Vehicle Smart Imaging Device Companies, by Market Share Measured by Shipments (2025)

Ranking	Company	Listing Status	Market Share in Global Vehicle Smart Imaging Device Industry, 2025
1	Company C	Unlisted	7.6%
2	***The Company***	***Unlisted***	***4.9%***
3	Company E[1]	Listed	4.8%
		Top 3 Subtotal	**17.3%**

Notes:

(1) Headquartered in China, founded in 2001, it is one of a global leader in video surveillance and vehicle imaging solutions (including vehicle smart imaging devices and in-car monitoring systems); its products serve automotive, security, and industrial markets worldwide.

Source: Annual reports, Frost & Sullivan

3. Ranking of Global Screenless Vehicle Smart Imaging Device Companies, by Market Share Measured by the Shipments (2025)

Ranking	Company	Listing Status	Market Share in Global Screenless Vehicle Smart Imaging Device Industry, 2025
1	***The Company***	***Unlisted***	***7.0%***
2	Company C	Unlisted	6.4%
3	Company E	Listed	3.7%
		Top 3 Subtotal	**17.1%**

Source: Annual reports, Frost & Sullivan

4. Ranking of Vehicle Smart Imaging Device Companies in the PRC Market, by Market Share Measured by the Revenue Generated in the PRC (2025)

Ranking	Company	Listing Status	Market Share in Vehicle Smart Imaging Device Industry in the PRC, 2025
1	Company E	Listed	3.8%
2	Company F[1]	Listed	3.1%
3	***The Company***	***Unlisted***	***2.4%***
4	Company C	Unlisted	1.6%
5	Company G[2]	Unlisted	1.2%
		Top 5 Subtotal	**12.2%**

Notes:

(1) Headquartered in China, founded in 2005 (originally as a cybersecurity firm), it expands into intelligent vehicle electronics (including vehicle smart imaging devices); its automotive products target the Chinese consumer market with cybersecurity-integrated features.

(2) Headquartered in China and founded in 2010, it is a key player in entry-level to mid-range vehicle smart imaging devices; its core market is domestic China with distribution in emerging markets.

Source: Annual reports, Frost & Sullivan

5. Ranking of Vehicle Smart Imaging Device Companies in the PRC Market, by Market Share Measured by the Shipments Generated in the PRC (2025)

Ranking	Company	Listing Status	Market Share in Vehicle Smart Imaging Device Industry in the PRC, 2025
1	Company E	Listed	10.3%
2	Company F	Listed	8.9%
3	***The Company***	***Unlisted***	***7.7%***
		Top 3 Subtotal	**26.8%**

Source: Annual reports, Frost & Sullivan

Entry Barriers

Technology and R&D Barrier

The intelligent transformation of vehicle smart imaging devices has significantly elevated the technical threshold, making advanced R&D capabilities a core barrier to entry. Modern vehicle smart imaging devices integrate multiple cutting-edge technologies, including high-resolution imaging sensors, AI chips, multi-sensor fusion, and 5G/V2X communication modules. High-end products require high-performance CIS to ensure clear imaging under complex lighting conditions, as well as dedicated AI chips with sufficient computing power to support advanced functions like ADAS, fatigue driving recognition, and real-time accident analysis. The development of core algorithms for these functions, such as lane departure warning and forward collision warning with high accuracy, requires long-term accumulation of technical expertise and massive real-road data training. Leading enterprises typically invest heavily in R&D and have established mature technical ecosystems, while new entrants face huge challenges in bridging the technology gap, accumulating R&D resources, and achieving product performance parity.

Brand and Localization Barrier

Beyond hardware capabilities, the primary barrier to entering the global vehicle smart imaging market lies in the sophistication of localized market understanding and the establishment of brand trust. A successful entry requires more than a standardized product; it demands a deep alignment with regional cultural nuances, legal frameworks, and consumer behaviors. Brands must navigate diverse privacy regulations – such as GDPR in Europe, while tailoring their marketing to resonate with local values, such as "reliability and safety" in the West or "social connectivity and tech-innovation" in Asia. Furthermore, building a sustainable brand identity is critical to overcoming the "commoditization trap." Leading players distinguish themselves by moving past pure hardware specs to foster emotional connections through localized service ecosystems and professional distribution networks. Ultimately, the ability to translate global technological strengths into a locally relevant brand story is what separates enduring market leaders from short-term entrants.

Policy and Compliance Barrier

The vehicle smart imaging device market is heavily regulated by stringent policies and technical standards globally, forming a significant entry barrier for new entrants. Governments and regulatory authorities in major markets have established mandatory certification systems and technical specifications to ensure product safety, data accuracy, and compliance with traffic management requirements. For instance, European Union has introduced relevant regulations such as General Safety Regulation (GSR) Phase II and eCall, imposing corresponding requirements on vehicle smart imaging devices involving driving safety and data protection. Complying with these diverse and evolving regulations requires substantial investment in product testing, certification procedures, and legal consulting. New entrants often face long certification cycles and high costs, and failure to meet regulatory requirements can result in product bans or market withdrawals, further raising the threshold for market entry.

SOURCE OF INFORMATION

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare a market research report on the vehicle smart imaging device industry. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the U.S. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. The agreed fee paid to Frost & Sullivan for the preparation and use of the Frost & Sullivan Report is RMB480,000. The payment of such amount was not contingent upon our successful **[REDACTED]** or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other market research report in connection with the **[REDACTED]**. We have included certain information from the Frost & Sullivan Report in this document because we believe such information facilitates an understanding of the vehicle smart imaging device industry. Unless otherwise indicated, market estimates or forecasts in this section represent Frost & Sullivan's view on the future development of the vehicle smart imaging device industry. In preparing the Frost & Sullivan Report, Frost & Sullivan has relied on its in-house database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices, and other relevant information. Frost

& Sullivan has exercised due care in collecting and reviewing the information so collected and believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct, and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. In compiling and preparing the research, Frost & Sullivan assumed that the social, economic, and political environments in the relevant markets are likely to remain stable in the forecast period, which ensures the stable and healthy development of the vehicle smart imaging device industry. In addition, Frost & Sullivan has developed its forecast on the following bases and assumptions: (i) the economy in the global range is likely to maintain stable growth in the next decade, and (ii) the vehicle smart imaging device industry is expected to grow based on the macroeconomic assumptions of the economy. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources. Except as otherwise noted, all data and forecasts in this section come from the Frost & Sullivan Report.

Our business in the PRC is subject to extensive supervision and regulatory control by the PRC government. This section sets out a summary of relevant laws and regulations that may have material impact on our business.

REGULATIONS ON CONSUMER RIGHTS AND PRODUCT QUALITY

Consumer Rights

The principal legal provisions for the protection of consumer interests are set out in Law of the PRC on the Protection of Consumer Rights and Interests (the "**Consumer Protection Law**", (《中華人民共和國消費者權益保護法》), which was promulgated on October 31, 1993, and last amended on October 25, 2013. Pursuant to the Consumer Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage, and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of consumers. According to the Consumer Protection Law, where operators knowingly provide consumers with defective commodities or services causing death or serious damage to the health of consumers or other victims, the victims may require operators to compensate them for losses in accordance with the Consumer Protection Law and other relevant provisions, and claim punitive damages of up to twice the amount of the losses incurred.

Product Quality

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") which was latest amended on December 29, 2018, applies to all production and marketing activities in the PRC. Pursuant to this law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any manner, including forging brand labels or providing false information concerning a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury or property damage, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

REGULATIONS ON SAFETY PRODUCTION

Pursuant to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) amended by the SCNPC on June 10, 2021 and effective on September 1, 2021, production and operation entities shall: (1) abide by the law and other laws and regulations concerning production safety, strengthen the safety management, and set up a sound responsibility system for production safety of all employees and rules and regulations on production safety; (2) increase the input and guarantee of funds, materials, technologies, and personnel in terms of production safety, improve the conditions for production safety, strengthen the development of standards and adoption of information technologies for production safety; (3) build a dual prevention mechanism of level-to-level safety risk management and control and hidden danger identification and management, and perfect the risk prevention and resolution mechanism, to improve the level of work safety and ensure production safety. Entities that do not meet the conditions for safe production shall not engage in production and operating activities.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014 and became effective on January 1, 2015, pollution control facilities must be designed, built, and operated simultaneously with main construction works.

According to the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017, the construction entity shall submit an environmental impact report, an environmental impact statement, or fill in an environmental impact registration form depending on the degree of impact the construction project has on environment. For a construction project for which an environmental impact report or environmental impact statement shall be prepared by law, the construction entity shall submit the environmental impact report and environmental impact statement to the competent administrative department of the environmental protection with approval authority for approval before starting construction. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity shall be prohibited from commencing construction works.

According to the Measures for the Administration of Pollutant Discharge Permitting (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge license management in accordance with the law shall apply for and obtain pollutant discharge license in accordance with the law and discharge pollutants in accordance with the provisions of the pollutant discharge license. Those without pollutant discharge license are not allowed to discharge pollutants. Enterprises, public institutions and other producers and business operators that are legally required to fill in pollutant discharge registration forms shall conduct pollutant discharge registration on the national pollutant discharge permit management information platform.

According to the Catalogue for Classified Administration of Pollutant Discharge Permits for Stationary Pollution Sources (《固定污染源排污許可分類管理名錄》) issued by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

REGULATIONS ON IMPORT AND EXPORT

Promulgated by The General Administration of Customs of the PRC on November 19, 2021 and effective on January 1, 2022, the Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) stipulates that entities applying for record-filing, whether as consignors/consignees of import/export goods or as customs declaration enterprises, must hold valid market entity qualification. If the submitted record-filing materials are complete and comply with the requirements upon review, the Customs shall complete the filing procedures within three business days. The record-filing information will be disclosed through the China Customs Import and Export Credit Information Publicity Platform.

REGULATIONS ON ADVERTISEMENT

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by the SCNPC on October 27, 1994 and most recently revised on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. Any advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and administrative regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, valid period and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit. According to the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》), which was issued by the SAMR on February 25, 2023 and became effective from May 1, 2023, advertisers are responsible for the authenticity of the content of Internet advertisements. Where a product seller or service provider promotes goods or service through livestreaming over the internet and such promotion constitutes a commercial advertisement, they shall, in accordance with the law, assume the responsibilities and obligations of an advertiser.

REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

On May 28, 2020, the National People's Congress of the PRC approved the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which has come into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which integrates the scattered rules with respect to personal information rights and privacy protection and became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law and promoting the reasonable use of personal information. Personal information, as defined in the Personal Information Protection Law, refers to information related to identified or identifiable natural persons and is recorded by electronic or other means but excluding the anonymized information. The Personal Information Protection Law applies to personal information processing activities within China, as well as certain personal information processing activities outside China, including those for provision of products and services to natural persons within China or for analyzing and assessing acts of natural persons within China.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), and amended it on October 28, 2025. The Cyber Security Law requires network operators to perform certain functions related to cyber security protection and strengthen the network information management. For instance, under the Cyber Security Law, network operators of key information infrastructure generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC. When collecting and using personal information, in accordance with the Cyber Security Law, network operators shall abide by the "lawful, justifiable and necessary" principles. Network operators shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operators, when processing personal information, shall comply with this Law and the provisions of laws and administrative regulations such as the Civil Code of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not endanger national security, the public interest, or individuals' and organizations' lawful rights and interests. Besides, it is necessary to establish and improve a whole-process data security management system in accordance with the provisions of laws and regulations, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. The use of the Internet and other information networks to carry out data processing activities shall perform the above-mentioned data security protection obligations on the basis of the cybersecurity level protection system.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》) promulgated by the Cyberspace Administration of China on December 28, 2021 and effective on February 15, 2022, the purchase of network products and services by critical information infrastructure operator and the data processing activities carries out online platform operators, which affects or may affect national security, shall be subject to cybersecurity review. Online platform operators possessing personal information of more than 1 million users must report to the cybersecurity review office for a cybersecurity review before going public abroad. According to the Regulation on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council of China on September 24, 2024 and came into effect on January 1, 2025, where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

REGULATIONS ON CROSS-BORDER DATA TRANSFER

The Measures for Security Evaluation for the Transfer of Data to Foreign Countries (《數據出境安全評估辦法》) was promulgated by the Cyberspace Administration of China (the "**CAC**") on July 7, 2022 and entered into force on September 1, 2022 to clarify the regulatory mechanism for transfer of data to foreign countries under the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. The Measures clarifies the provisions and procedures for conducting security evaluation for the transfer of important data or personal information to foreign countries collected and generated within China. The Measures for Standard Contracts for the Transfer of Personal Information to Foreign Countries (《個人信息出境標準合同辦法》) was issued by the CAC on February 22, 2023, which entered into force as of June 1, 2023, clarifying that the personal information processor who carries out personal information transfer activities by way of entering into standard contracts shall comply with certain conditions, and shall file the signed standard contracts with the local provincial-level Internet information department. The Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》) (the "**Promoting Provisions**") promulgated by the CAC on March 22, 2024 further adjusted the scope, exemption conditions and procedures applicable to the mechanism of security evaluation of data transfer to foreign countries and filing of standard contracts for personal information transfer to foreign countries. Pursuant to the aforesaid measures and regulations, if a data processor provides data to foreign countries and meets one of the following conditions, he/she shall declare the security evaluation of data transfer to foreign countries to the CAC through the local provincial-level Internet information department: (1) the critical information infrastructure operator provides personal information or important data to foreign countries; and (2) a data processor other than the critical information infrastructure operator provides important data to foreign countries, or provides more than 1 million people's personal information (excluding sensitive personal information) or more than 10,000 people's sensitive personal information to foreign countries cumulatively from January 1 of the current year, provided that exemptions under Articles 3 to 6 of the Promoting Provisions are met. A data processor other than the critical information infrastructure operator shall conclude and file a standard contract with overseas recipients for provision of personal information abroad or go through the authentication on protection of personal information under the following circumstances: (1) provides more than 100,000 but less than 1 million people's personal information (excluding sensitive personal information) to foreign countries cumulatively from January 1 of the current year; (2) provides less than 10,000 people's sensitive personal information to foreign countries cumulatively from January 1 of the current year, provided that exemptions under Articles 3 to 6 of the Promoting Provisions are met.

REGULATION ON INTELLECTUAL PROPERTY

Patents

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and amended in 1992, 2000, 2008 and 2020, patents for inventions and utility models may be granted subject to three conditions: novelty, creativity and practicability. Patents are not granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, methods used to nuclear transformation and substances obtained utilising nuclear transformation, and designs of the pattern and the colour of graphic printed matter or the combination of them that are primarily used to mark and identify. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design (the term of protection of a design patent right for which the application date is up to and including May 31, 2021 is ten years, commencing from the application date), commencing from the application date. Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper licence from the patent owners to use the patent, otherwise, the use of the patent will constitute an infringement of the rights of the patent holder.

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was adopted on August 23, 1982 and subsequently amended in 1993, 2001, 2013, and 2019, respectively, as well as the Regulation on the Implementation 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》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office of National Intellectual Property Administration (the "**Trademark Office**") handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. Trademark license agreements must be filed with the Trademark Office to be recorded, while the non-filing of the licensing of a trademark shall not be contested against a good faith third-party. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "certain degree of reputation" through such party's use.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures for the Administration of Internet Domain Names of China (《中國互聯網絡域名管理辦法》) promulgated by the MIIT on November 5, 2004 and took into effect on December 20, 2004, which was superseded by 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 and took into effect on November 1, 2017, and the Implementing Rules of China ccTLD Registration (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Centre and took into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC Internet domain names. The domain name services follow a "first come, first served" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Software Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC in 1990 and amended in 2001, 2010 and 2020 respectively, Chinese citizens, legal persons or unincorporated organisations are entitled to copyright in their works (including computer software) in accordance with the law, regardless of whether or not they are published.

The Regulation on Protection of Computer Software (《計算機軟件保護條例》) was promulgated by the State Council on June 4, 1991 and amended in 2001, 2011 and 2013, respectively, with the aim of protecting the rights and interests of computer software copyright holders, adjusting the interests and relations occurring in the development, dissemination and use of computer software, encouraging the development and application of computer software, and promoting the development of software industry and informatization of our national economy. According to the Regulation on Protection of Computer Software, the PRC citizens, legal persons, or other organisations shall, whether published or not, enjoy copyright in software developed by them in accordance with the law. A software copyright owner may register with a software registration institution recognised by the copyright administration department of the State Council. The certificate of registration issued by the software registration institution shall be the preliminary evidence of the registered matters. The software copyright of a legal person or other organisations shall be protected for a period of 50 years, ending on December 31 of the 50th year after the first publication of the software; however, if the software has not been published within 50 years from the date of completion of its development, it shall no longer be protected.

REGULATIONS ON LABOUR AND EMPLOYMENT

Employment

According to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) effective on January 1, 1995, and revised on December 29, 2018 and implemented on the same date, and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) revised on December 28, 2012 and taking effect on July 1, 2013, a labour contract shall be signed when the employer establishes labour relationship with the worker.

The labour contracts shall be signed in writing. When agreement is reached after negotiation, labour contracts, including fixed-term labour contracts, open-ended labour contracts or labour contracts based on the completion of work, shall be signed, and the salary shall be no less than the local minimum wage standard. The employer and the worker shall each fully perform their respective obligations in accordance with the labour contract.

Social Securities

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was issued by the SCNPC on October 28, 2010 and came into effect on July 1, 2011 and last revised on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering basic pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and basic medical insurance. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to rectify within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and its directly liable person will be fined. If the employer fails to pay social insurance contributions on time and in full, the social insurance agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the rate of 0.05% shall be levied as of the date of indebtedness. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but not exceeding three times the amount shall be demanded by the authoritative administrative department. Meanwhile, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and came into effect on the same day and was recently revised on March 24, 2019 prescribes the details concerning the social securities.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended on December 20, 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Pension Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decision of the State Council on Improving the Basic Pension Insurance System for Enterprise Employees (《國務院關於完善企業職工基本養老保險制度的决定》) issued on December 3, 2005, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999 and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labour injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

Housing Provident Fund

According to Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) revised by the State Council and implemented on March 24, 2019, the enterprises shall fully pay the housing provident fund contribution for the employees on time, with the contribution rate shall be no less than 5% of the employee's average monthly salary in the previous year.. The housing provident fund contribution paid by the employees and the employers shall be owned by the employees.

On July 31, 2025, the Supreme People's Court promulgated the Interpretation (II) by the Supreme People's Court of Issues Concerning 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 took effect on September 1, 2025. Article 19(1) thereof stipulates that 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. Furthermore, 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 Article 38(3) of the Labor Contract Law of the PRC, the People's Court shall support such claims in accordance with the law, which clarifies that employees are entitled to request termination of their labor contracts and receive corresponding economic compensation under the Labor Contract Law of the PRC if the employer fails to make social insurance contributions in accordance with the law.

REGULATIONS ON LEASED PROPERTIES

On December 1, 2010, the Ministry of Housing and Urban-Rural Development of the PRC promulgated the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which came into effect on February 1, 2011, stipulate that parties to the property lease shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the PRC Government of the centrally-administered municipality, municipality or county where the leased property is located. Any party failing to complete the leasing registration and filing formalities shall be ordered by the development (real estate) department of the PRC Governments of centrally-administered municipalities, municipalities or counties to make correction within a stipulated period; where an organization fails to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

According to the Civil Code, failure by the parties to conduct registration and filing formalities for the lease contract as required by laws and administrative regulations shall not affect the validity of the contract.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") issued Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and its supporting guidelines (collectively, the "**New Rules for Filing**"), which came into effect on March 31, 2023. According to the New Rules for Filing, PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall complete the filing procedures and report relevant information to the CSRC within three working days after submitting the application documents for offering and listing securities in overseas markets.

On February 24, 2023, the CSRC, in conjunction with the MOF, the National Administration of State Secrets Protection and the National Archives Administration, has jointly issued the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering 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 "**Confidentiality and Archives Administration Provisions**"), which came into effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require that PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations.

REGULATIONS ON H SHARE "FULL CIRCULATION"

According to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), which were issued and implemented by the CSRC on August 10, 2023, Shareholders may determine the volume and proportion of shares for circulation, authorizing the domestic enterprise to file the application, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. The shareholders of domestic unlisted shares shall authorise the domestic enterprises to file the "Full Circulation" application with CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed. Domestic enterprises that are not yet listed may file the "Full Circulation" application when applying for listing in an overseas IPO. After an application for "Full Circulation" has been approved by the CSRC, the domestic enterprise shall submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC. The domestic unlisted shares may not be transferred back to China after they have been listed and circulated in Hong Kong.

According to the Measures for Implementation of H-share "Full Circulation" Business (《H股「全流通」業務實施細則》) promulgated by the China Securities Depository and Clearing Corporation Limited (the "**CSDC**") and Shenzhen Stock Exchange (the "**SZSE**") on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the "Full Circulation" business, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited and the SZSE.

The Shenzhen Branch of CSDC promulgated the Guide to the Program for H-share "Full Circulation" Business of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) on September 20, 2024 and amended on June 30, 2025. These guidelines aim at standardizing the business operations of H-share "Full Circulation" and have made provisions for relevant businesses related to H-share "Full Circulation", including business preparation, cross-border transfer registration, overseas share custody, initial maintenance of detailed domestic holdings, change and maintenance of detailed domestic holdings, handling of corporate actions, settlement and delivery, and risk management.

REGULATIONS ON OUTBOUND INVESTMENT

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which were promulgated by The National Development and Reform Commission (the "**NDRC**") on December 26, 2017 and became effective on March 1, 2018, to make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project approved or filed on the record, report relevant information, and cooperate with supervision and inspection. Overseas investment projects that involve any sensitive country or region or any sensitive industry need to be approved by the NDRC. Overseas investment projects other than those specified above are subject to filing administration. The NDRC promulgated the List of Sensitive Sectors for Outbound Investment (《境外投資敏感行業目錄》) on January 31, 2018 and became effective on March 1, 2018 to list the current sensitive industries in detail.

According to the Administrative Measures for Overseas Investment (《境外投資管理辦法》), which were promulgated by the Ministry of Commerce (the "**MOFCOM**") on March 16, 2009, became effective on May 1, 2009 and amended on September 6, 2014, outbound investment refers to the activities of possessing non-financial enterprises or acquiring the ownership of, the control over, the operation and management right of, and other rights of and interests in, the existing non-financial enterprises outbound through consolidation, merger and acquisition, or otherwise conducted by enterprises that are established in the PRC in accordance with the law. The MOFCOM and the provincial departments in charge of commerce shall conduct archive filing and verification management according to different circumstances of outbound investment of an enterprise. Where the outbound investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of outbound investment of an enterprise.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended on August 5, 2008, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside the PRC, unless prior approval of the State Administration of Foreign Exchange (the "**SAFE**") is obtained and prior registration with SAFE is made.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**Circular 13**"), which was promulgated on February 13, 2015 and took effect from June 1, 2015 partially abolished on December 30, 2019, enterprises are not required to get foreign exchange registration approval under domestic direct investment or overseas direct investment. Domestic investors (including domestic foreign-invested enterprises, domestic investing entities of foreign enterprises) should carry out foreign exchange registration of direct investment with banks.

According to the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**Circular 19**"), which was promulgated on March 30, 2015 and took effect on June 1, 2015, was partially abolished on December 30, 2019 and was amended on March 23, 2023 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") which was promulgated and took effect on June 9, 2016 and amended on December 4, 2023, domestic enterprises (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) may go through foreign exchange settlement formalities for their foreign debts at their discretion. Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts under capital accounts of domestic institutions, such provisions shall prevail. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to the balance of payments. While being eligible for discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous transaction (including discretionary settlement and payment-based settlement) of such institution.

The Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (the "**Circular 28**") was promulgated and became effective on October 23, 2019 and amended on December 4, 2023. According to the Circular 28, non-investment foreign-funded enterprises are allowed to lawfully make domestic equity investments using their capital if the domestic investment projects are in compliance with the prevailing special administrative measures for access of foreign investments and the relevant regulations.

The People's Bank of China and the State Administration of Foreign Exchange issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was announced on December 24, 2025. This document constitutes a new regulation jointly issued by the two authorities, aiming to unify and optimize the supervision and administration of foreign exchange funds related to the overseas listings of domestic enterprises. Its key provisions include establishing a registration system for overseas listings, clarifying the principle of repatriating raised funds and the conditions for retaining funds overseas, standardizing the opening and use of dedicated accounts, detailing the foreign exchange procedures for shareholding increases and decreases by shareholders, and making specific arrangements for businesses such as "H-share Full Circulation". The new regulation will take effect on April 1, 2026.

REGULATIONS ON TAXES

Corporate Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated on March 16, 2007 and last amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) which was promulgated on December 6, 2007 and last amended on December 6, 2024, the income tax rate for both domestic and foreign-invested enterprises is 25%. Furthermore, resident enterprises, which are enterprises that are set up in accordance with PRC law, or that are set up in accordance with the law of a foreign country (region) but with their actual administration institution in the PRC, must pay enterprise income tax originating both within and outside the PRC. Non-resident enterprises that have established institutions or establishments in the PRC shall pay enterprise income tax on income derived from the PRC and effectively connected with such institutions or establishments, as well as on income derived from outside the PRC that is effectively connected with such institutions or establishments. Non-resident enterprises that have not set up institutions or establishments in the PRC, or where institutions or establishments are set up but where there is no actual relationship with the income obtained by the institutions or establishments set up by such enterprises, they must pay enterprise income tax in relation to the income originating from the PRC at the rate of 10%.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by SCNPC on December 25, 2024 and will become effective from January 1, 2026, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, and the importation of goods are required to pay value-added tax (the "**VAT**"). Pursuant to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》) promulgated on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, upon approval of the State Council, as of May 1, 2016, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner, and all taxpayers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

Pursuant to the Value-added Tax Law of the PRC, the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax, the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) promulgated by Ministry of Finance and State Administration of Taxation on April 4, 2018 and became effective on May 1, 2018, and the Announcement on Relevant Policies for Deepening Value-Added Tax 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》) promulgated by the Ministry of Finance, the State Administration of Taxation and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, with respect to VAT taxable sales of a VAT general taxpayer, the applicable VAT rates are 13%, 9% and 6% respectively.

OVERVIEW

Our history can be traced back to 2013 when the predecessor of our Company, Shenzhen Weiyou Video Communication Co., Ltd.* (深圳市為有視訊有限公司) was established. In the same year, Mr. Luo, our executive Director and chairman of our Board, Mr. Yu Yunhui (喻運輝) and Mr. Wang Kai (王凱), each an executive Director, joined our Company as our Shareholders and/or senior management. Mr. Luo previously worked at HiSilicon Technologies Co., Ltd.* (深圳市海思半導體有限公司), a subsidiary of Huawei Investment Holding Co., Ltd.* (華為投資控股有限公司) (“**Huawei**”). Mr. Yu Yunhui and Mr. Wang Kai also previously worked at subsidiaries of Huawei. For biographical details of Mr. Luo, Mr. Yu Yunhui and Mr. Wang Kai, see “Directors and Senior Management”. The Company’s predecessor was dedicated to R&D and innovation of vehicle smart imaging devices.

In 2016, our Company was converted from a limited liability company into a joint stock company with limited liability and renamed DDPai Technology Co., Ltd. (盯盯拍(深圳)技術股份有限公司).

After years of development and several rounds of **[REDACTED]** Investments since 2015, we have grown into a technology company specializing in vehicle smart imaging devices and the hardware, software and algorithm technologies that support these products. We apply our AIoT and visual algorithm capabilities to develop smart imaging solutions that broaden the functional scope of traditional imaging devices.

OUR MILESTONES

The following table summarizes the key milestones in our business development since inception:

Year	Milestone
2013	We were established in Shenzhen, the PRC.
	We launched our first “sharing” dashcam M5, which is the industry’s first model to support app connectivity.
2015	Our M6 and MINI dashcams raised RMB4.13 million and RMB4.92 million, respectively, on major online crowdfunding platforms.
2017	We unveiled our X2Pro dashcam at the International Consumer Electronics Show, leading the way in the racing and modified vehicle markets.
2018	Our MINI3 and X3Pro dashcams won the world’s three major design awards: the iF Design Award, the Red Dot Design Award and the Good Design Award.
2019	We partnered with leading map providers to enable AR real-time navigation.
2021	We partnered with multiple original equipment manufacturers to develop customized dashcams and in-vehicle smart infotainment systems.

Year	Milestone
2023	We made strategic expansion into travel imagery scenes, aiming for comprehensive coverage and unique advantages through innovative technologies and scenarios.
2024	Our N5 Dual dashcam achieved great sales performance in the Southeast Asian market.
2025	We launched Z90 Master, our annual flagship dashcam.
2026	We participated in the International Consumer Electronics Show under the theme of "Beyond Dashcams, Enrich Car Lifestyle".

OUR PRINCIPAL SUBSIDIARIES

Our Company is headquartered in Shenzhen, the PRC. As of the Latest Practicable Date, we have six subsidiaries in the PRC and one subsidiary in Hong Kong, among which, we have the following two principal subsidiaries which we consider to be important to our R&D, manufacturing and business operations. The details of our principal subsidiaries are set forth below:

Name	Place of establishment	Date of establishment	Principal business activities	Ownership as of the Latest Practicable Date
DDPAI Cloud Technology	PRC	September 12, 2017	R&D of applications and AI cloud platform	100%
DDPAI Dongguan	PRC	August 16, 2016	Manufacturing of smart cam	100%

CORPORATE DEVELOPMENT OF OUR GROUP

Significant shareholding changes of our Company and our subsidiaries

Our Company

Establishment and early development

Our Company was established as a limited liability company under the laws of the PRC on April 1, 2013 by Mr. Guo Mingwen, the founder of our Company and an Independent Third Party, with a registered capital of RMB100,000. On July 8, 2013, Mr. Guo Mingwen entered into equity transfer agreements with Mr. Luo, Mr. Wang Kai, Mr. Yu Yunhui and Mr. Yu Xiping (余熙平), pursuant to which Mr. Guo Mingwen transferred 44%, 8%, 16% and 16% equity interest in our Company to Mr. Luo, Mr. Wang Kai, Mr. Yu Yunhui and Mr. Yu Xiping, respectively, at nil consideration to bring in Mr. Luo, Mr. Wang Kai, Mr. Yu Yunhui and Mr. Yu Xiping as our Shareholders and/or senior management to be primarily responsible for our Company's operations. On the same date, the registered capital of our Company increased from RMB100,000 to RMB1 million, with each of the then Shareholders subscribing for the increased registered capital in proportion to their existing shareholding at a consideration of RMB1 per unit of the registered capital of our Company. Each of Mr. Wang Kai and Mr. Yu Yunhui is an executive Director of our Company. Mr. Yu Xiping was a former Director and he ceased to be our Shareholder in January 2026.

On April 22, 2015, our Company entered into a capital increase agreement with, among others, Mr. Huang Cheng (黃程), an Independent Third Party, pursuant to which Mr. Huang Cheng subscribed for RMB87,000 increased registered capital at a consideration of RMB2 million. The consideration for the capital increase was determined after arm's length negotiation between the parties. Mr. Huang Cheng ceased to be our Shareholder in March 2019. Registration with Shenzhen Administration for Market Regulation ("**Shenzhen AMR**") in respect of the aforesaid capital increase was completed on May 27, 2015.

On April 30, 2015 and September 2, 2015, to acknowledge Mr. Luo's contributions to the early-stage operational development of our Company, Mr. Guo Mingwen transferred RMB73,000 and RMB43,480 registered capital of our Company to Mr. Luo at a nominal consideration of RMB1, respectively. Registration with Shenzhen AMR in respect of the aforesaid equity transfers was completed on May 11, 2015 and September 11, 2015, respectively.

Immediately following the abovementioned early development, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital	Approximate equity interest
	(RMB)	*(%)*
Mr. Luo	556,500	51.20
Mr. Yu Yunhui	160,000	14.72
Mr. Yu Xiping	160,000	14.72
Mr. Huang Cheng	87,000	8.00
Mr. Wang Kai	80,000	7.36
Mr. Guo Mingwen	43,500	4.00
Total	**1,087,000**	**100.00**

Capital Increases in December 2015 (Introduction of Shenzhen Lafang, Qianhai Huxing, Wanchuang Shidai, Jiuyu Galaxy and Net Posa as our **[REDACTED]** *Investors)*

On November 26, 2015, the registered capital of our Company increased from RMB1,087,000 to RMB2,038,462, with the details set out below:

Name of Shareholders	Increased registered capital subscribed for	Approximate equity interest (as enlarged by the capital increases)	Consideration
	(RMB)	*(%)*	*(RMB)*
Shenzhen Lafang Investment Management Co., Ltd.* (深圳市拉芳投資管理有限公司) ("**Shenzhen Lafang**")	30,577	1.50	422,880
Shenzhen Qianhai Huxing Asset Management Co., Ltd.* (深圳前海互興資產管理有限公司) ("**Qianhai Huxing**")	20,385	1.00	281,925
Shenzhen Wanchuang Shidai Investment Corporate (L.P.)* (深圳市萬創時代投資企業(有限合夥)) ("**Wanchuang Shidai**")	40,769	2.00	563,835
Mr. Huang Cheng	76,077	3.73	1,052,145
Mr. Guo Mingwen	7,462	0.37	103,199
Weiyou Gongchuang	464,769	22.80	464,769
Mr. Yu Xiping	110,096	5.40	110,096
Mr. Wang Kai	73,904	3.63	73,904
Mr. Yu Yunhui	127,423	6.25	127,423

Each of Shenzhen Lafang, Qianhai Huxing and Wanchuang Shidai is our **[REDACTED]** Investor. For details of investments made by them, please see "**[REDACTED]** Investments" in this section. Weiyou Gongchuang is our Employee Incentive Platform, with Mr. Luo acting as its sole general partner. The considerations for the capital subscription by Shenzhen Lafang, Qianhai Huxing, Wanchuang Shidai, Mr. Huang Cheng and Mr. Guo Mingwen were determined after arm's length negotiation between the parties considering the timing of the investments, the status of our business operations and the prospects of our Company, and the capital increases made by Weiyou Gongchuang, Mr. Yu Xiping, Mr. Wang Kai and Mr. Yu Yunhui were for a consideration of RMB1 per unit of the registered capital of our Company as Weiyou Gongchuang was an Employee Incentive Platform of the Company, and each of Mr. Yu Xiping, Mr. Wang Kai and Mr. Yu Yunhui was primarily responsible for our Company's operations at the relevant time and such consideration was determined taking into account their contribution to our Company. Registration with Shenzhen AMR in respect of the aforesaid capital increases was completed on December 7, 2015.

In December 2015, our Company entered into a capital increase agreement with, among others, Shenzhen Jiuyu Galaxy Zhineng Hulian Investment Fund (Limited Partnership)*（深圳九宇銀河智能互聯投資基金(有限合夥)）("**Jiuyu Galaxy**"), Net Posa Technologies Ltd.*（東方網力科技股份有限公司）("**Net Posa**"), Beijing Zhenru Investment Management Co., Ltd.*（北京真如投資管理有限公司）("**Beijing Zhenru**") and Qianhai Huxing (on behalf of Qianhai Huxing Investment Fund Phase 11*（前海互興投資基金11期）("**Huxing Phase 11**")), a contractual fund with Qianhai Huxing being its fund manager, pursuant to which each of Jiuyu Galaxy, Net Posa, Beijing Zhenru and Qianhai Huxing (on behalf of Huxing Phase 11) subscribed for RMB113,385 increased registered capital of our Company at a consideration of RMB5 million, respectively. The above considerations were determined after arm's length negotiation between the parties with reference to the timing of the investments and the future prospects of our Company. For details of investments made by Jiuyu Galaxy and Net Posa, please see "**[REDACTED]** Investments" in this section. To the best knowledge of our Directors, each of Beijing Zhenru and Huxing Phase 11 and their respective ultimate beneficial owner(s) are Independent Third Parties. Beijing Zhenru and Huxing Phase 11 ceased to be our Shareholder in October 2021 and April 2020, respectively. Registration with Shenzhen AMR in respect of the aforesaid capital increases was completed on December 28, 2015.

Immediately following the completion of the abovementioned capital increases, the shareholding structure of our Company was as follows:

Name of Shareholders	**Registered capital**	**Approximate equity interest**
	(RMB)	*(%)*
Mr. Luo	556,500	22.33
Weiyou Gongchuang	464,769	18.65
Mr. Yu Yunhui	287,423	11.53
Mr. Yu Xiping	270,096	10.84
Mr. Huang Cheng	163,077	6.54
Mr. Wang Kai	153,904	6.18
Huxing Phase 11	113,385	4.55
Beijing Zhenru	113,385	4.55
Jiuyu Galaxy	113,385	4.55
Net Posa	113,385	4.55
Mr. Guo Mingwen	50,962	2.05
Wanchuang Shidai	40,769	1.64
Shenzhen Lafang	30,577	1.23
Qianhai Huxing	20,385	0.82
Total	**2,492,002**	**100.00**

Conversion into joint stock limited company

On May 10, 2016, all of our then Shareholders entered into a promoters' agreement, pursuant to which it was agreed that our Company shall be converted from a limited liability company to a joint stock limited company. Upon the completion of the conversion, our Company had a registered capital of RMB15 million divided into 15,000,000 Shares with a par value of RMB1.00 each, which shall be subscribed by all Shareholders in proportion to their shareholdings in our Company before the conversion. The conversion was completed on June 3, 2016, with the shareholding structure of our Company immediately upon the completion of the conversion as follows:

Name of Shareholders	**Number of Shares**	**Percentage of shareholding**
		(%)
Mr. Luo	3,349,710	22.33
Weiyou Gongchuang	2,797,560	18.65
Mr. Yu Yunhui	1,730,070	11.53
Mr. Yu Xiping	1,625,775	10.84
Mr. Huang Cheng	981,600	6.54
Mr. Wang Kai	926,385	6.18
Huxing Phase 11	682,500	4.55
Beijing Zhenru	682,500	4.55
Jiuyu Galaxy	682,500	4.55
Net Posa	682,500	4.55
Mr. Guo Mingwen	306,750	2.05
Wanchuang Shidai	245,400	1.64
Shenzhen Lafang	184,050	1.23
Qianhai Huxing	122,700	0.82
Total	**15,000,000**	**100.00**

Capital increase in June 2016

On June 23, 2016, our Company entered into a subscription agreement with, among others, Ningbo Yongxin Yiqi Equity Investment Partnership (Limited Partnership)* (寧波永欣壹期股權投資合夥企業(有限合夥)) ("**Yongxin Yiqi**"), Haining Yibaiyi Huiju Equity Investment Partnership (Limited Partnership)* (海寧一百一彙聚股權投資合夥企業(有限合夥)) ("**Haining Yibaiyi**"), Qianhai Huxing (on behalf of Huxing Phase 11) and Shenzhen Wuyue Huanuo Venture Investment Co., Ltd.* (深圳五岳華諾創業投資有限公司) ("**Huanuo Venture Investment**"), pursuant to which each of Yongxin Yiqi, Haining Yibaiyi, Qianhai Huxing (on behalf of Huxing Phase 11) and Huanuo Venture Investment subscribed for 400,000 Shares, 224,000 Shares, 400,000 Shares and 464,000 Shares at a consideration of RMB5 million, RMB2.8 million, RMB5 million and RMB5.8 million, respectively. The above considerations were determined after arm's length negotiation between the parties with reference to the overall business performance and the anticipated future prospects of our Company, and the fact that our Company was anticipating a listing on the NEEQ at the relevant time. To the best knowledge of our Directors, each of Yongxin Yiqi, Haining Yibaiyi and Huanuo Venture Investment and their respective ultimate beneficial owner(s) are Independent Third Parties. Yongxin Yiqi, Haining Yibaiyi and Huanuo Venture Investment ceased to be our Shareholders in October 2021, March 2026 and March 2026, respectively.

Listing and Delisting of our Shares from the NEEQ

On November 30, 2016, our Company received approval for quoting its Shares on the NEEQ. On January 26, 2017, all issued Shares became quoted on the NEEQ under the stock code of 870280.

On September 21, 2018, the registered capital of our Company increased from RMB16,488,000 to RMB20,610,000, with the shareholding percentage of all Shareholders remaining unchanged and the additional registered capital converted from our Company's capital reserves.

Having considered our development strategy and our desire to pursue further opportunities for accessing improved trading activity and equity liquidity, the listing of our Shares on the NEEQ no longer satisfied the then financing needs of our Group. As such, the then Shareholders resolved to voluntarily delist our Shares from NEEQ on October 15, 2018. The delisting was completed on November 9, 2018.

Share transfers from January 2019 to September 2021 (Introduction of Huxing No. 18 as our **[REDACTED]** *Investor)*

On January 7, 2019, Mr. Huang Cheng entered into a share transfer agreement with Weiyou Gongying, pursuant to which Mr. Huang Cheng transferred 1,227,000 Shares to Weiyou Gongying at a consideration of RMB3,052,145, which was determined after arm's length negotiation between the parties with reference to our Company's overall business and projected future development at the time of the transfer, and ceased to be our Shareholder. Weiyou Gongying is a limited partnership controlled by Mr. Luo.

On March 19, 2020, due to internal arrangement, Qianhai Huxing (on behalf of Huxing Phase 11) entered into two share transfer agreements with Shenzhen Huxing No. 18 Investment Partnership (Limited Partnership)* (深圳互興十八號投資合夥企業(有限合夥)) ("**Huxing No. 18**") (a private equity fund with Qianhai Huxing being its fund manager), pursuant to which Qianhai Huxing (on behalf of Huxing Phase 11) transferred a total of 1,353,125 Shares to Huxing No. 18 at a total consideration of RMB10 million, which was equal to the consideration originally paid by Qianhai Huxing (on behalf of Huxing Phase 11) when it subscribed for such Shares, and ceased to be our Shareholder. For details of investments made by Huxing No. 18, please see "**[REDACTED]** Investments" in this section.

On July 9, 2021, Beijing Zhenru entered into a share transfer agreement with Pinghu Yichen, pursuant to which Beijing Zhenru transferred 853,125 Shares to Pinghu Yichen at a consideration of RMB8.5 million, which was determined after arm's length negotiation between the parties with reference to our Company's overall business and projected future development at the time of the transfer, and ceased to be our Shareholder. Pinghu Yichen is a company wholly owned by Mr. Luo, which ceased to be our Shareholder in November 2025.

On October 18, 2021, Pinghu Yichen acquired 500,000 Shares from Yongxin Yiqi at a consideration of RMB6,672,054.79. Such acquisition was made by Pinghu Yichen to honor Mr. Luo's repurchase obligations towards Yongxin Yiqi pursuant to the agreements entered into among the parties. After the aforesaid transfer, Yongxin Yiqi ceased to be our Shareholder. The consideration for the share transfer was determined based on the terms of the abovementioned supplemental agreement.

On December 1, 2021, Pinghu Yichen entered into a share transfer agreement with Mr. Yu Yunhui, pursuant to which Mr. Yu Yunhui transferred 74,196 Shares to Pinghu Yichen at a consideration of RMB1,007,581.6, which was determined after arm's length negotiation between the parties with reference to the operating conditions of our Group at the relevant time.

On December 6, 2021, Weiyou Gongying transferred 427,579 Shares to Pinghu Yichen at nil consideration as it was a transfer between shareholding platforms controlled by Mr. Luo.

On August 3, 2021, Pinghu Yichen entered into a share transfer agreement (the "**Zhuhai Lafang SPA**") with, among others, Zhuhai Lafang Pinguan Huaxi Investment Fund Partnership (Limited Partnership)*（珠海拉芳品觀華熙投資基金合夥企業(有限合夥)）("**Zhuhai Lafang**"), pursuant to which Pinghu Yichen transferred 618,300 Shares to Zhuhai Lafang at a consideration of RMB11.4 million, which was determined after arms' length negotiation between the parties factoring in the timing of the investments and financial performance of our Company at the time of the transfer. To the best knowledge of our Directors, Zhuhai Lafang and its ultimate beneficial owner(s) are Independent Third Parties. Zhuhai Lafang ceased to be our Shareholder in July 2024.

On September 10, 2021, Pinghu Yichen entered into a share transfer agreement (the "**Boxin Huipai SPA**") with, among others, Shenzhen Boxin Huipai Venture Investment Partnership (Limited Partnership)*（深圳博信惠拍創業投資合夥企業(有限合夥)）("**Boxin Huipai**"), pursuant to which Pinghu Yichen transferred 1,236,600 Shares to Boxin Huipai at a consideration of RMB22.8 million, which was determined after arm's length negotiation between the parties with reference to our Company's earnings at the time and its overall business operations and future growth potential. To the best knowledge of our Directors, Boxin Huipai and its ultimate beneficial owner(s) are Independent Third Parties. Boxin Huipai ceased to be our Shareholder in April 2026. Registration with Shenzhen AMR was completed on January 11, 2022.

Immediately following the above share transfers, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Mr. Luo	4,187,137	20.32
Weiyou Gongchuang	3,496,950	16.97
Mr. Yu Yunhui	2,088,392	10.13
Mr. Yu Xiping	2,032,219	9.86
Huxing No. 18	1,353,125	6.57
Boxin Huipai	1,236,600	6.00
Mr. Wang Kai	1,157,981	5.62
Jiuyu Galaxy	853,125	4.14
Net Posa	853,125	4.14
Weiyou Gongying	799,421	3.88
Zhuhai Lafang	618,300	3.00
Huanuo Venture Investment	580,000	2.81
Mr. Guo Mingwen	383,438	1.86
Wanchuang Shidai	306,750	1.49
Haining Yibaiyi	280,000	1.36
Shenzhen Lafang	230,062	1.12
Qianhai Huxing	153,375	0.74
Total	**20,610,000**	**100.00**

Share transfers from July 2022 to June 2024

In July 2022, Weiyou Gongchuang transferred a total of 1,094,472 Shares to Pinghu Yichen, the total consideration for which was RMB14,862,888.8. The above consideration was determined after arms' length negotiation between the parties with reference to the financial performance of our Company in previous years. On the same date, Pinghu Yichen transferred 427,579 Shares to Weiyou Gongying at nil consideration as it was a transfer between shareholding platforms controlled by Mr. Luo.

On March 2, 2022, February 16, 2023, December 31, 2023 and in April 2024, Pinghu Yichen, Zhuhai Lafang and Mr. Luo entered into certain supplemental agreements to the Zhuhai Lafang SPA, pursuant to which the parties agreed that Pinghu Yichen and/or Mr. Luo should repurchase all Shares held by Zhuhai Lafang at the consideration agreed in the supplemental agreements. As of July 19, 2024, Pinghu Yichen had paid a total repurchase amount of RMB12,924,789 to Zhuhai Lafang for all the Shares held by Zhuhai Lafang (i.e., 618,300 Shares) in accordance with the terms of the aforementioned supplemental agreements. Consequently, Zhuhai Lafang ceased to be our Shareholder in July 2024.

On June 19, 2024, Pinghu Yichen, Boxin Huipai and Mr. Luo entered into a supplemental agreement to the Boxin Huipai SPA (the "**Repurchase Agreement**"), pursuant to which the parties agreed that Pinghu Yichen or Mr. Luo or any investor designated by Pinghu Yichen should repurchase or acquire all Shares held by Boxin Huipai at the consideration agreed in the Repurchase Agreement. As of August 1, 2025, Pinghu Yichen had paid a total repurchase amount of RMB18,217,720.55 to Boxin Huipai for 824,400 Shares held by Boxin Huipai in accordance with the terms of the Repurchase Agreement.

Immediately following the above share transfers, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Mr. Luo	4,187,137	20.32
Weiyou Gongchuang	2,402,478	11.66
Pinghu Yichen	2,109,593	10.24
Mr. Yu Yunhui	2,088,392	10.13
Mr. Yu Xiping	2,032,219	9.86
Huxing No. 18	1,353,125	6.57
Weiyou Gongying	1,227,000	5.95
Mr. Wang Kai	1,157,981	5.62
Jiuyu Galaxy	853,125	4.14
Net Posa	853,125	4.14
Huanuo Venture Investment	580,000	2.81
Boxin Huipai	412,200	2.00
Mr. Guo Mingwen	383,438	1.86
Wanchuang Shidai	306,750	1.49
Haining Yibaiyi	280,000	1.36
Shenzhen Lafang	230,062	1.12
Qianhai Huxing	153,375	0.74
Total	**20,610,000**	**100.00**

Share Repurchases by our Company during July 2024 to January 2025

During July 2024 to January 2025, our Company conducted a series of Share repurchases, with details set out below:

Date	Repurchase target	Repurchased Shares	Approximate shareholding percentage (not taking into account of the repurchases)	Consideration paid by our Company
			(%)	*(RMB)* *(Approximate)*
July 19, 2024	Pinghu Yichen	395,948	1.92	4,300,000
September 18, 2024	Mr. Yu Yunhui	321,516	1.56	3,491,663
October 28, 2024	Mr. Yu Xiping	206,100	1.00	2,238,246
January 7, 2025	Weiyou Gongchuang	280,531	1.36	3,046,567
January 23, 2025	Huxing No. 18	309,150	1.50	3,357,369

The repurchased Shares were held by our Company as treasury shares for the implementation of the employee incentive schemes of our Company, and the considerations for the Share repurchases were determined after arms' length negotiation between the parties taking into account the financial conditions of our Group, as well as the purpose of the Share repurchases, which were intended to implement the employee incentive schemes of our Company.

Share transfers during September 2025 to March 2026 (Introduction of Huanuo Angel, Mr. Zhou Guangde and Ms. Zhao Shangping as our **[REDACTED]** *Investors)*

On September 30, 2025 and on November 3, 2025, Mr. Zhou Guangde (周廣德) entered into a share transfer agreement with each of Mr. Yu Xiping and Pinghu Yichen, pursuant to which Mr. Yu Xiping and Pinghu Yichen transferred 824,400 and 1,713,645 Shares to Mr. Zhou Guangde at a consideration of RMB10 million and RMB23,359,420, respectively. The considerations were determined after arms' length negotiation between the parties with reference to the timing of investments and the prospects of our Company. For details of investments made by Mr. Zhou Guangde, please see "**[REDACTED]** Investments" in this section. Pinghu Yichen ceased to be our Shareholder following the aforesaid share transfer.

On December 27, 2025, Mr. Yu Xiping and Ms. Zhao Shangping (趙尚萍) entered into a share transfer agreement, pursuant to which Mr. Yu Xiping transferred 1,001,719 Shares to Ms. Zhao Shangping at a consideration of RMB14,808,991.8 and ceased to be our Shareholder. The consideration was determined after arms' length negotiation between the parties with reference to the timing of investments and the prospects of our Company. For details of investments made by Ms. Zhao Shangping, please see "**[REDACTED]** Investments" in this section.

On March 20, 2026, due to internal corporate restructuring, Huanuo Venture Investment and Shenzhen Wuyue Huanuo Angel Investment Partnership (Limited Partnership)* (深圳五岳華諾天使投資合夥企業(有限合夥)) ("**Huanuo Angel**") entered into a share transfer agreement, pursuant to which Huanuo Venture Investment transferred 580,000 Shares to Huanuo Angel at a consideration of RMB5.8 million, which was equal to the consideration originally paid by Huanuo Venture Investment when it subscribed for such Shares, and ceased to be our Shareholder. Huanuo Venture Investment and Huanuo Angel were entities under common control. For details of investments made by Huanuo Angel, please see "**[REDACTED]** Investments" in this section.

Share transfers and grant of treasury shares in March 2026 (Introduction of Shenzhen Siwo as our **[REDACTED]** *Investor)*

On March 10, 2026, Haining Yibaiyi entered into a share transfer agreement with Weiyou Gonghui, pursuant to which Haining Yibaiyi transferred 280,000 Shares to Weiyou Gonghui at a consideration of RMB5 million and ceased to be our Shareholder. On March 18, 2026, Mr. Yu Yunhui and Weiyou Gonghui entered into a share transfer agreement, pursuant to which Mr. Yu Yunhui transferred 56,000 Shares to Weiyou Gonghui at a consideration of RMB1 million. The considerations in respect of the above transfers were determined after arms' length negotiation between the parties with reference to the overall business operations and performance of our Company. Weiyou Gonghui is a limited partnership controlled by Mr. Luo.

On March 18, 2026, at the general meeting of our Company, a resolution was passed to grant 1,111,088 and 402,157 treasury shares of our Company to Weiyou Gongxing and Weiyou Gongsheng at the consideration of RMB3,888,808 and RMB2,815,099, respectively. The considerations were determined with reference to employees' historical contributions and the internal employee incentive policy and prospects of our Company. Each of Weiyou Gongxing and Weiyou Gongsheng is an Employee Incentive Platform, with Shenzhen Yichen, a company wholly owned by Mr. Luo, acting as its sole general partner. The grant of treasury shares of our Company was intended to implement the employee incentive schemes of our Company.

On March 18, 2026, Boxin Huipai entered into a share transfer agreement with Shenzhen Siwo Consultancy Management Co., Ltd.* (深圳思沃諮詢管理有限公司) ("**Shenzhen Siwo**"), as an investor designated by Pinghu Yichen in accordance with the Repurchase Agreement, to execute the repurchase obligation thereunder. Pursuant to the aforesaid share transfer agreement, Boxin Huipai transferred its remaining 412,200 Shares to Shenzhen Siwo at a consideration of RMB9,491,463.01 and ceased to be our Shareholder. The consideration was determined in accordance with the terms of the Repurchase Agreement, and was settled on April 8, 2026. For details of investments made by Shenzhen Siwo, please see "**[REDACTED]** Investments" in this section.

Capital Increase in June 2026 (Introduction of Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin, Qichao Investment and Jingrong Information as our **[REDACTED]** *Investors)*

On June 1, 2026, our Company entered into a capital increase agreement with, among others, the following investors, pursuant to which each of the investors subscribed for our increased registered capital at the consideration set out below:

Name of Shareholders	Increased registered capital subscribed for	Approximate percentage of shareholding (as enlarged by the capital increase)	Consideration
	(RMB)	*(%)*	*(RMB)*
Shenzhen Linghang Xingchan Digital Creative Equipment Industry Private Equity Investment Fund Partnership (Limited Partnership)* (深圳市領航興產數字創意裝備產業私募股權投資基金合夥企業(有限合夥)) ("**Linghang Xingchan**")	343,500	1.60	20,000,000
Guangdong Taiding Holding Co., Ltd.* (廣東太鼎控股有限公司) ("**Taiding Holding**")	171,750	0.80	10,000,000
Shenzhen Zhenyou Investment Co., Ltd.* (深圳震有投資有限公司) ("**Zhenyou Investment**")	171,750	0.80	10,000,000
Chengdu Tongchuang Shujin Venture Capital Partnership (Limited Partnership)* (成都同創數金創業投資合夥企業(有限合夥)) ("**Tongchuang Shujin**")	85,875	0.40	5,000,000
Shenzhen Qichao Small and Micro Investment Partnership (Limited Partnership)* (深圳市啟潮中小微投資合夥企業(有限合夥)) ("**Qichao Investment**")	82,440	0.38	4,800,000
Zhuhai Hengqin Jingrong Information Consulting Partnership (Limited Partnership)* (珠海橫琴旌榮信息諮詢合夥企業(有限合夥)) ("**Jingrong Information**")	3,435	0.02	200,000

Each of Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin, Qichao Investment and Jingrong Information is our **[REDACTED]** Investor. For details of investments made by them, please see "**[REDACTED]** Investments" in this section. The considerations for the capital subscription by Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin, Qichao Investment and Jingrong Information were determined after arm's length negotiation between the parties based on the pre-investment valuation taking into account of the timing of the investments and the future prospect of our Company.

Immediately following the abovementioned capital increase, the shareholding structure of our Company was as follows:

Name of Shareholders	**Number of Shares held**	**Percentage of shareholding**
		(%)
Mr. Luo	4,187,137	19.50
Mr. Zhou Guangde	2,538,045	11.82
Weiyou Gongchuang	2,121,947	9.88
Mr. Yu Yunhui	1,710,876	7.97
Weiyou Gongying	1,227,000	5.72
Mr. Wang Kai	1,157,981	5.39
Weiyou Gongxing	1,111,088	5.18
Huxing No. 18	1,043,975	4.86
Ms. Zhao Shangping	1,001,719	4.67
Jiuyu Galaxy	853,125	3.97
Net Posa	853,125	3.97
Huanuo Angel	580,000	2.70
Shenzhen Siwo	412,200	1.92
Weiyou Gongsheng	402,157	1.87
Mr. Guo Mingwen	383,438	1.79
Weiyou Gonghui	336,000	1.57
Wanchuang Shidai	306,750	1.43
Shenzhen Lafang	230,062	1.07
Qianhai Huxing	153,375	0.71
Linghang Xingchan	343,500	1.60
Taiding Holding	171,750	0.80
Zhenyou Investment	171,750	0.80
Tongchuang Shujin	85,875	0.40
Qichao Investment	82,440	0.38
Jingrong Information	3,435	0.02
Total	**21,468,750**	**100.00**

For the shareholding structure of our Company as of the Latest Practicable Date and at the **[REDACTED]**, please see "Capitalization of our Company" in this section.

[REDACTED]

We expect to conduct the **[REDACTED]** immediately prior to the **[REDACTED]**, pursuant to which each Share in our issued share capital will be **[REDACTED]** into **[REDACTED]** Shares. All Shares resulting from the **[REDACTED]** rank *pari passu* with each other. Immediately after the **[REDACTED]** and before the **[REDACTED]**, the registered share capital of our Company will be RMB21,468,750 with **[REDACTED]** Shares in a nominal value of RMB**[REDACTED]** each.

DDPAI Cloud Technology

DDPAI Cloud Technology is a company established under the laws of the PRC with limited liability on September 12, 2017 with registered capital of RMB5 million. Upon its establishment and as of the Latest Practicable Date, DDPAI Cloud Technology was wholly-owned by our Company.

DDPAI Dongguan

DDPAI Dongguan is a company established under the laws of the PRC with limited liability on August 16, 2016 with registered capital of RMB1 million and was wholly owned by Mr. Peng Lin (彭霖), an employee of our Company, on behalf of our Company. On August 8, 2017, Mr. Peng Lin entered into a share transfer agreement with our Company, pursuant to which Mr. Peng Lin transferred all the equity interest in DDPAI Dongguan to our Company at nil consideration. Since then and as of the Latest Practicable Date, DDPAI Dongguan was wholly-owned by our Company.

Employee incentive schemes

In order to incentivize our management and employees for their contributions to our Group, we established Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng as our Employee Incentive Platforms. As of the Latest Practicable Date, save that Mr. Luo held 53.84% interest in Weiyou Gongchuang, none of the general or limited partner held 30% or more interest in each of Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng. For further details regarding our employee incentive schemes, please see "Appendix VI – Statutory and General Information – D. Employee Incentive Schemes" in this document.

Compliance with Laws and Regulations

As advised by our PRC Legal Adviser, save that our Company is in the process of registering our capital increase in June 2026 with Shenzhen AMR, the establishments, historical equity/Share transfers, capital increases, and/or Share repurchases and conversion into a joint stock company with limited liability of our Company as disclosed above have been validly completed and the procedures involved for the registration/filing of change of company as required under applicable PRC laws have been completed in all material aspects.

ACQUISITIONS AND DISPOSALS DURING THE TRACK RECORD PERIOD

During the Track Record Period and up to the Latest Practicable Date, we have not engaged in any material acquisitions, disposals or mergers.

PREVIOUS LISTING AND LISTING ATTEMPTS

For details on the listing and delisting of our Shares on the NEEQ, see "Corporate Development of our Group – Significant Shareholding Changes of our Company and our Subsidiaries – our Company – Listing and Delisting of our Shares from the NEEQ".

Our Directors confirmed that, to the best of their knowledge and belief:

(i) during the period that our Company was listed on the NEEQ:

 (a) our Company had been in compliance in all material respects with all applicable rules and regulations of the NEEQ and the Securities Law of the PRC; and

 (b) our Company had not been subject to any administrative penalty by the NEEQ and/or any relevant law enforcement authority or regulator related to securities supervision; and

(ii) there are no further matters in relation to the prior listing of our Company on the NEEQ and the subsequent delisting that needs to be brought to the attention of the Stock Exchange, our Shareholders or the potential investors of our Company.

For the purpose of exploring the possibility for an initial public offering and listing on the A-share market (the "**Proposed A-share Listings**"), we engaged the sponsor and an auditing firm in 2020 and an auditing firm in 2023 respectively. Subsequently, taking into account of the market conditions and our strategy to focus our time and resources on improving our financial performance at the relevant time, we did not continue to pursue the Proposed A-share Listings. We have neither entered into any pre-listing tutorial agreement (上市輔導協議) nor made any preliminary filing (上市輔導備案) with the CSRC in connection with the Proposed A-share Listings. We did not submit any A-share listing application to any stock exchange, and have not received any comments or inquiries from the CSRC or any stock exchange in relation to the Proposed A-share Listings.

To the best knowledge of our Directors, we had no disagreements with any professional parties involved in the Proposed A-share Listings. Our Directors are not aware of any material matter in relation to the Proposed A-share Listings that would affect our Company's suitability for **[REDACTED]** on the Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange, our Shareholders or the potential investors of our Company. Based on the due diligence work conducted by the Sole Sponsor, there was no material finding on any disagreements between our Group and the professional parties involved in the Proposed A-share Listings and nothing material has come to the attention of the Sole Sponsor in relation to the aforesaid that should be brought to the attention of the Stock Exchange, our Shareholders or the potential investors of our Company.

[REDACTED] INVESTMENTS

Our Company obtained a series of investments from the **[REDACTED]** Investors through equity/Share transfers and subscriptions for increased registered capital of our Company. For further details, please refer to "Corporate Development of our Group – Significant shareholding changes of our Company and our subsidiaries – our Company" in this section above.

Overview

[REDACTED] Investors	Date of capital increase/equity/ Share transfer agreements	Consideration	Settlement date	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share(1)	Discount to mid-point of the [REDACTED] range(2)	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED](3)
		(RMB)			*(RMB)*	*(%)*	*(%)*	*(%)*
Qianhai Huxing	November 26, 2015	281,925	December 30, 2015	**[REDACTED]**	[0.23]	**[REDACTED]**	0.71	**[REDACTED]**
Shenzhen Lafang	November 26, 2015	422,880	December 30, 2015	**[REDACTED]**	[0.23]	**[REDACTED]**	1.07	**[REDACTED]**
Wanchuang Shidai	November 26, 2015	563,835	December 30, 2015	**[REDACTED]**	[0.23]	**[REDACTED]**	1.43	**[REDACTED]**
Jiuyu Galaxy	December 28, 2015	5,000,000	September 14, 2015	**[REDACTED]**	[0.73]	**[REDACTED]**	3.97	**[REDACTED]**
Net Posa	December 28, 2015	5,000,000	December 21, 2015	**[REDACTED]**	[0.73]	**[REDACTED]**	3.97	**[REDACTED]**
Huxing No. 18	March 19, 2020, January 23, 2025	6,642,631(4)	April 14, 2020	**[REDACTED]**	[0.80]	**[REDACTED]**	4.86	**[REDACTED]**
Mr. Zhou Guangde	September 30, 2025, November 3, 2025	33,359,420	November 18, 2025	**[REDACTED]**	[1.64]	**[REDACTED]**	11.82	**[REDACTED]**
Ms. Zhao Shangping	December 27, 2025	14,808,991.80	January 8, 2026	**[REDACTED]**	[1.85]	**[REDACTED]**	4.67	**[REDACTED]**
Shenzhen Siwo	March 18, 2026	9,491,463.01	April 8, 2026	**[REDACTED]**	[2.88]	**[REDACTED]**	1.92	**[REDACTED]**
Huanuo Angel	March 20, 2026	5,800,000(5)	March 20, 2026	**[REDACTED]**	[1.25]	**[REDACTED]**	2.70	**[REDACTED]**
Linghang Xingchan	June 1, 2026	20,000,000	June 16, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	1.60	**[REDACTED]**
Taiding Holding	June 1, 2026	10,000,000	June 3, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	0.80	**[REDACTED]**
Zhenyou Investment	June 1, 2026	10,000,000	June 3, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	0.80	**[REDACTED]**
Tongchuang Shujin	June 1, 2026	5,000,000	June 17, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	0.40	**[REDACTED]**
Qichao Investment	June 1, 2026	4,800,000	June 3, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	0.38	**[REDACTED]**
Jingrong Information	June 1, 2026	200,000	June 16, 2026	**[REDACTED]**	[7.28]	**[REDACTED]**	0.02	**[REDACTED]**

Notes:

(1) The average cost per Share paid by the **[REDACTED]** Investors is calculated based on the investment amounts made by these investors divided by the number of Shares they actually hold immediately after the completion of the **[REDACTED]**.

(2) For illustration purposes only, calculated on the basis of the **[REDACTED]** of HK$**[REDACTED]**, the mid-point of the indicative **[REDACTED]** rage of HK$**[REDACTED]** and HK$**[REDACTED]**, and based on the currency conversion rate of RMB0.86926: HK$1.

(3) Based on the enlarged issued share capital of our Company immediately upon completion of the **[REDACTED]** and the **[REDACTED]** (without taking into account the Shares which may be issued pursuant to the exercise of the **[REDACTED]**).

(4) The consideration is the consideration of RMB10 million for the equity transfer from Qianhai Huxing to Huxing No. 18 in March 2020 deducting the consideration of RMB3,357,369 received by Huxing No. 18 from our Company for the share repurchase in January 2025.

(5) The Shares held by Huanuo Angel was transferred to it by Huanuo Venture Capital, an entity under common control with Huanuo Angel, in March 2026, the consideration for which was equal to the consideration originally paid by Huanuo Venture Investment when it subscribed for such Shares in June 2016.

Principal terms of the [REDACTED] Investments

A summary of the principal terms of the **[REDACTED]** Investments is set forth below:

Basis of determination of the consideration: Arms' length negotiations between the parties after taking into consideration of various factors, including but not limited to (i) status of milestones and prospects of our products; (ii) our expansion capacity and R&D management systems; (iii) strategic layout, execution efficiency and other factors of our Company; and (iv) timing of the relevant investments, market value and business prospects.

Use of proceeds: As of the Latest Practicable Date, 18.39% of the funds raised from the **[REDACTED]** Investments had been utilized, which were utilized as the working capital for sales and R&D.

Strategic benefits to our Company: Our Directors believe that the additional capital provided by the **[REDACTED]** Investments, along with the knowledge and experience of the **[REDACTED]** Investors, brings significant benefits to our Company. These investments demonstrate the investors' confidence in our business and operations, while also serving as an endorsement of our performance, strengths, and future prospects.

Lock-up period: Pursuant to applicable PRC laws and regulations, within one year following the **[REDACTED]**, the **[REDACTED]** Investors shall not dispose of any Shares held by them.

Special rights of the [REDACTED] Investors

Pursuant to the capital increase agreement and supplemental agreement both entered into on June 1, 2026, each of Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin, Qichao Investment and Jingrong Information was granted certain special rights, including repurchase right, right of first refusal and tag-along right, pre-emptive right, information right, anti-dilution right and no more favorable terms, and the parties agreed that such special rights shall be automatically terminated upon the submission of our **[REDACTED]** application to the Stock Exchange with retrospective effect from the date of establishment of such special rights.

Save as disclosed above, no special rights were granted to our **[REDACTED]** Investors, and our **[REDACTED]** Investors will not be entitled to the special rights that are not available to any other Shareholders at the time of **[REDACTED]**.

Compliance with the guideline regarding the [REDACTED] Investments

Having considered the terms of the **[REDACTED]** Investments, and on the basis that the last **[REDACTED]** Investment was completed more than 120 clear days before the **[REDACTED]**, the Sole Sponsor has confirmed that the investments made by the **[REDACTED]** Investors are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about the [REDACTED] Investors

The background of our **[REDACTED]** Investors is set out below. To the best of our Company's knowledge, all the **[REDACTED]** Investors and their respective ultimate beneficial owners are Independent Third Parties.

(1) Qianhai Huxing and Huxing No. 18

Qianhai Huxing is a limited liability company established under the PRC laws and is principally engaged in asset management and investment management. As of the Latest Practicable Date, Qianhai Huxing was owned as to 50.00% and 50.00% by Chen Jihong (陳繼宏) and Tian Jianzhang (田建樟), respectively, who were both Independent Third Parties.

Huxing No. 18 is a limited partnership established under the PRC laws and is principally engaged in equity investment. The general partner of Huxing No. 18 is Qianhai Huxing, holding 0.02% interest therein. As of the Latest Practicable Date, Huxing No. 18 had one limited partner, namely, Chen Shuangqing (陳雙慶), holding 99.98% interest therein.

(2) Shenzhen Lafang

Shenzhen Lafang is a limited liability company established under the PRC laws and is principally engaged in investment management and investment consultation. As of the Latest Practicable Date, Shenzhen Lafang was owned as to 70.00% and 30.00% by Wu Guiqian (吳桂謙) and Zheng Qingying (鄭清英), respectively, who were both Independent Third Parties.

(3) Wanchuang Shidai

Wanchuang Shidai is a limited partnership established under the PRC laws and is principally engaged in corporate management consultancy. The general partner of Wanchuang Shidai is Shenzhen Runiu Investment Co., Ltd.* (深圳市孺牛投資有限公司), holding 3.44% interest therein, which is in turn owned as to 50.00% and 50.00% by Jiang Yu (薑雨) and Jiang Shipeng (薑仕鵬), respectively, who were both Independent Third Parties. As of the Latest Practicable Date, Wanchuang Shidai had two limited partners, with Jiang Shipeng holding 93.22% interest therein and no other partner holding 10.00% or more interest therein.

(4) Huanuo Angel

Huanuo Angel is a limited partnership established under the PRC laws and is principally engaged in equity investment. The general partner of Huanuo Angel is Zhuhai Hengqin Nuohua Investment Partnership (Limited Partnership)* (珠海橫琴諾華投資合夥企業(有限合夥)), holding 1.00% interest therein, which is ultimately controlled by Sun Yelin (孫業林), an Independent Third Party.

As of the Latest Practicable Date, Huanuo Angel had 14 limited partners, among which, Shenzhen Jiacheng Yutai Venture Capital Partnership (Limited Partnership)* (深圳市佳承宇泰創業投資合夥企業(有限合夥)) ("**Jiacheng Yutai**"), Guangzhou Aoji Enterprise Management Partnership (Limited Partnership)*(廣州奧基企業管理合夥企業(有限合夥)) ("**Aoji Enterprise Management**"), Cai Haodong (蔡浩東) and Sealand Securities Investment Co., Ltd.* (國海證券投資有限公司) ("**Sealand Securities Investment**") holds 23.63%, 14.95%, 14.95% and 11.96% interest therein, respectively, and no other partner holds 10.00% or more interest therein.

Jiacheng Yutai is ultimately controlled by Wang Jun (王軍). Aoji Enterprise Management is ultimately controlled by Cai Dongqing (蔡東青). Sealand Securities Investment is wholly owned by Sealand Securities Co., Ltd.* (國海證券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000750), which is ultimately controlled by Guangxi Zhuang Autonomous Region People' Government State-owned Assets Supervision and Administration Commission (廣西壯族自治區人民政府國有資產監督管理委員會).

(5) Jiuyu Galaxy

Jiuyu Galaxy is a limited partnership established under the PRC laws and is principally engaged in investment management and asset management. The general partner of Jiuyu Galaxy is Shenzhen Jiuyu Capital Management Co., Ltd* (深圳九宇資本管理有限公司), holding 2.44% interest therein, which is ultimately controlled by Zhao Yujie (趙宇杰), an Independent Third Party. As of the Latest Practicable Date, Jiuyu Galaxy had 16 limited partners, among which, Guangdong Advertising Group Co., Ltd.* (廣東省廣告集團股份有限公司) ("**GIMC**") holds 16.26% interest therein, and no other partner holds 10.00% or more interest therein. GIMC is listed on the Shenzhen Stock Exchange (stock code: 510220), and is ultimately controlled by the People's Government of Guangdong Province (廣東省人民政府).

(6) Net Posa

Net Posa is a joint stock limited company established under the PRC laws and is principally engaged in security video surveillance industry, serving as a provider of video management platforms and security artificial intelligence platforms. As of the Latest Practicable Date, the controlling shareholder of Net Posa is Sichuan Energy Electronic Information Industry Group Co., Ltd.* (四川能源電子信息產業集團有限公司) ("**Sichuan Energy**"), holding 12.51% interest therein, and no other shareholder holds 10.00% or more interest in Net Posa. Sichuan Energy is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Sichuan Province (四川省政府國有資產監督管理委員會).

(7) Ms. Zhao Shangping

Ms. Zhao Shangping is a PRC natural person and an Independent Third Party.

(8) Mr. Zhou Guangde

Mr. Zhou Guangde is a PRC natural person and an Independent Third Party.

(9) Shenzhen Siwo

Shenzhen Siwo is a limited liability company established under the PRC laws and is principally engaged in corporate management and consultancy. Shenzhen Siwo is wholly owned by Swordfish Limited, which is ultimately controlled by Liu Gang (劉剛), an Independent Third Party.

(10) Linghang Xingchan and Jingrong Information

Linghang Xingchan is a limited partnership established under the PRC laws and is principally engaged in equity investment, investment management and asset management. The general partner of Linghang Xingchan is Shenzhen Chuangxin Nanhua Enterprise Management Co., Ltd.* (深圳市創欣南鏵企業管理有限責任公司), holding 1.00% interest therein, which is in turn controlled by Zhuhai Hengqin Jundao Chuangzhi Technology Co., Ltd.* (珠海橫琴君道創智科技有限公司) ("**Jundao Chuangzhi**"). Jundao Chuangzhi is owned as to 37.50%, 15.00% and 12.50% by Wang Junsheng (王俊生), Zhuhai Hengqin Jundao Chuangxin No.2 Management Consulting Partnership (Limited Partnership)* (珠海橫琴君道創欣二號管理諮詢合夥企業(有限合夥)) ("**Jundao Chuangxin**") and Zhao Quanyong (趙泉勇), respectively. No other shareholder holds 10.00% or more interest in Jundao Chuangzhi. Jundao Chuangxin is ultimately controlled by Ma Ting (馬亭). Each of Wang Junsheng, Zhao Quanyong and Ma Ting is an Independent Third Party.

As of the Latest Practicable Date, Linghang Xingchan had six limited partners, among which, Shenzhen Guidance Fund Investment Co., Ltd.* (深圳市引導基金投資有限公司) ("**Guidance Fund**"), Shenzhen Skyworth Technology Consulting Co., Ltd.* (深圳創維科技諮詢有限公司) ("**Skyworth Technology Consulting**") and Shenzhen Huitong Financial Holdings Fund Investment Co., Ltd.* (深圳市匯通金控基金投資有限公司) ("**Huitong Financial Holdings**") holds 49.00%, 34.00% and 10.00% interest therein, respectively, and no other partner holds 10.00% or more interest therein.

Guidance Fund is ultimately controlled by Shenzhen Municipal Finance Bureau (深圳市財政局). Skyworth Technology Consulting is controlled by Skyworth Group Limited, a company listed on the Stock Exchange (stock code: 751), which is ultimately controlled by Wong Wang Sang, Stephen (黃宏生). Huitong Financial Holdings is ultimately controlled by Shenzhen Nanshan District State-owned Assets Supervision and Administration Bureau (Shenzhen Nanshan District Collective Assets Administration Bureau) (深圳市南山區國有資產監督管理局(深圳市南山區集體資產管理局)).

Jingrong Information is a limited partnership established under the PRC laws and is principally engaged in investment and enterprise management consultation. The general partner of Jingrong Information is Wang Junsheng, an Independent Third Party holding 15.00% interest therein.

As of the Latest Practicable Date, Jingrong Information had six limited partners, among which, each of Zhao Quanyong, Ma Ting, Hou Zhilong (侯志龍), Ma Youjie (馬友傑) and Xue Lixia (薛立夏) holds 15.00% interest therein, and Du Haisheng (杜海生) holds 10.00% interest therein.

(11) Taiding Holding

Taiding Holding is a limited liability company established under the PRC laws and is principally engaged in industrial investment, venture investment, investment and financial consultation. Taiding Holding is owned as to 57.68%, 22.02%, 10.84% and 9.46% by Wang Xin (王馨), Wang Junfeng (王俊峰), Wang Xuefeng (王雪峰) and Lin Xia (林俠), respectively, each an Independent Third Party.

(12) Zhenyou Investment

Zhenyou Investment is a limited liability company established under the PRC laws and is principally engaged in industrial investment, project investment and venture investment. Zhenyou Investment is wholly owned by Genew Technologies Co., Ltd.* (深圳震有科技股份有限公司) ("**Genew Technologies**"). Genew Technologies is listed on the Shanghai Stock Exchange STAR Market (stock code: 688418), and is ultimately controlled by Wu Minhua (吳閩華), an Independent Third Party.

(13) Tongchuang Shujin

Tongchuang Shujin is a limited partnership established under the PRC laws and is principally engaged in venture investment. The general partner of Tongchuang Shujin is Shenzhen Tongchuang Jinxiu Asset Management Co., Ltd.* (深圳同創錦繡資產管理有限公司), holding 0.57% interest therein, which is controlled by Shenzhen Cowin Asset Management Co., Ltd.* (深圳同創偉業資產管理股份有限公司) ("**Cowin Asset Management**"), a company listed on the NEEQ (stock code: 832793). Cowin Asset Management is ultimately controlled by Zheng Weihe (鄭偉鶴) and Huang Li (黃荔), each an Independent Third Party.

As of the Latest Practicable Date, Tongchuang Shujin had four limited partners, which were Qingdao Tongchuang Tongfeng Private Equity Investment Fund Partnership (Limited Partnership)* (青島同創同豐私募股權投資基金合夥企業(有限合夥)) ("**Tongchuang Tongfeng**"), Chengdu Jiaozi Park Investment Holding Co., Ltd.* (成都交子公園投資控股有限公司) ("**Jiaozi Park Holding**"), Changxing Chenke Xingrui Equity Investment Partnership (Limited Partnership)* (長興辰科興瑞股權投資合夥企業(有限合夥)) ("**Changxing Chenke**") and Danshuiquan (Beijing) Investment Management Co., Ltd.* (淡水泉(北京)投資管理有限公司) ("**Danshuiquan**"), holding 48.00%, 28.57%, 11.43% and 11.43% interest therein, respectively.

Tongchuang Tongfeng is controlled by Cowin Asset Management. Jiaozi Park Holding is ultimately controlled as to 36.00%, 32.00% and 27.00% by Chengdu High-tech Industrial Development Zone Finance and State-owned Assets Supervision and Administration Bureau (成都高新技術產業開發區財政國資局), Chengdu State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會) and Chengdu Jinjiang District State-owned Assets Supervision and Administration Bureau (成都市錦江區國有資產監督管理局). Changxing Chenke is ultimately controlled by Wang Xiaoming (王小明). Danshuiquan is ultimately controlled by Zhao Jun (趙軍).

(14) Qichao Investment

Qichao Investment is a limited partnership established under the PRC laws and is principally engaged in venture investment. The general partner of Qichao Investment is Chen Weihao (陳煒豪), an Independent Third Party holding 44.00% interest therein. The sole limited partner of Qichao Investment is Jiang Zhenhua (蔣振華), holding 56.00% interest therein.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

Shareholder	Number of Shares held as of the Latest Practicable Date	Shareholding percentage of total issued Shares as of the Latest Practicable Date	Number of H Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Number of Unlisted Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Shareholding percentage of total issued Shares upon completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares
Controlling Shareholders					
Mr. Luo	4,187,137	19.50%	[REDACTED]	[REDACTED]	[REDACTED]
Weiyou Gongchuang	2,121,947	9.88%	[REDACTED]	[REDACTED]	[REDACTED]
Weiyou Gongying	1,227,000	5.72%	[REDACTED]	[REDACTED]	[REDACTED]
Weiyou Gongxing	1,111,088	5.18%	[REDACTED]	[REDACTED]	[REDACTED]
Weiyou Gongsheng	402,157	1.87%	[REDACTED]	[REDACTED]	[REDACTED]
Weiyou Gonghui	336,000	1.57%	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	9,385,329	43.72%	[REDACTED]	[REDACTED]	[REDACTED]
Directors					
Mr. Yu Yunhui	1,710,876	7.97%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Kai	1,157,981	5.39%	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] *Investors*					
Mr. Zhou Guangde	2,538,045	11.82%	[REDACTED]	[REDACTED]	[REDACTED]
Huxing entities					
Huxing No. 18	1,043,975	4.86%	[REDACTED]	[REDACTED]	[REDACTED]
Qianhai Huxing	153,375	0.71%	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	1,197,350	5.58%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhao Shangping	1,001,719	4.67%	[REDACTED]	[REDACTED]	[REDACTED]
Jiuyu Galaxy	853,125	3.97%	[REDACTED]	[REDACTED]	[REDACTED]
Net Posa(1)	853,125	3.97%	[REDACTED]	[REDACTED]	[REDACTED]
Huanuo Angel	580,000	2.70%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Siwo	412,200	1.92%	[REDACTED]	[REDACTED]	[REDACTED]
Linghang Xingchan	343,500	1.60%	[REDACTED]	[REDACTED]	[REDACTED]
Wanchuang Shidai	306,750	1.43%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Lafang	230,062	1.07%	[REDACTED]	[REDACTED]	[REDACTED]
Taiding Holding	171,750	0.80%	[REDACTED]	[REDACTED]	[REDACTED]
Zhenyou Investment	171,750	0.80%	[REDACTED]	[REDACTED]	[REDACTED]
Tongchuang Shujin	85,875	0.40%	[REDACTED]	[REDACTED]	[REDACTED]
Qichao Investment	82,440	0.38%	[REDACTED]	[REDACTED]	[REDACTED]
Jingrong Information	3,435	0.02%	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal for [REDACTED] Investors	8,831,126	41.13%	[REDACTED]	[REDACTED]	[REDACTED]
Other Shareholders					
Mr. Guo Mingwen	383,438	1.79%	[REDACTED]	[REDACTED]	[REDACTED]
Other public Shareholders	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	21,468,750	100.00%	[REDACTED]	[REDACTED]	100.00%

Note:

(1) As of the Latest Practicable Date, the Shares held by Net Posa were under judicial freeze status.

PUBLIC FLOAT

Immediately upon the completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Company will have **[REDACTED]** Unlisted Shares and **[REDACTED]** H Shares, among which:

(i) an aggregate of **[REDACTED]** H Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** assuming the **[REDACTED]** is not exercised) will not be considered as part of the public float as such Shares are held by Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui, Mr. Zhou Guangde, Mr. Yu Yunhui and Mr. Wang Kai, each a core connected person of our Company;

(ii) an aggregate of **[REDACTED]** Unlisted Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** assuming the **[REDACTED]** is not exercised) held by Net Posa will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares; and

(iii) an aggregate of **[REDACTED]** H Shares to be converted from Unlisted Shares pursuant to the full circulation application of our Company held by existing Shareholders other than those mentioned in paragraphs (i) and (ii) above (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** assuming that the **[REDACTED]** is not exercised), and an aggregate of **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** assuming that the **[REDACTED]** is not exercised) will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules after the **[REDACTED]** as these Shares are not held by persons who are core connected persons of our Company upon **[REDACTED]** nor are they accustomed to take instructions from our 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 our Company's core connected persons.

In light of the above, the public float of our Company will be approximately **[REDACTED]**% upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), which is above 25% and in compliance with the requirements under Rule 19A.13A(1) of the Listing Rules.

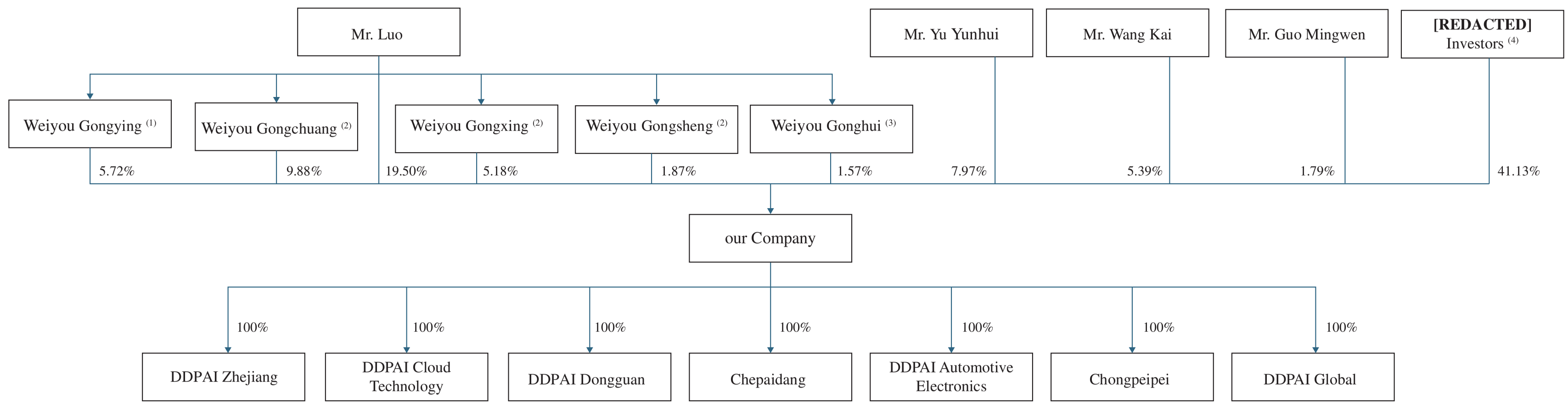
FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing 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 listing, 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 listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

To the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, the **[REDACTED]** H Shares to be issued pursuant to the **[REDACTED]** (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** assuming that the **[REDACTED]** is not exercised) are all expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low end of the indicative **[REDACTED]** range of HK$**[REDACTED]** per H Share, the Company will satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately prior to the **[REDACTED]**:



Notes:

(1) Weiyou Gongying is a limited partnership established under the PRC laws with Mr. Luo acting as its general partner and holding an aggregate of approximately 61.61% interest therein (including 42.35% interest directly by himself and 19.26% interest indirectly through two limited partners, being Weiyou Gonghui and Pinghu Yichen). The other two limited partners of Weiyou Gongying are Shenzhen Yangyu Technology Co., Ltd.*（深圳市陽宇科技有限公司）("**Shenzhen Yangyu**") and Shenzhen Kehao Future Investment Development Co., Ltd.*（深圳市科豪未來投資發展有限公司）("**Shenzhen Kehao**"), holding approximately 19.20% and 19.20% interest therein, respectively.

Shenzhen Yangyu is ultimately controlled by Nie Xingxing（聶星星）, an Independent Third Party.

Shenzhen Kehao is ultimately controlled by Zhang Li（張麗）, an Independent Third Party.

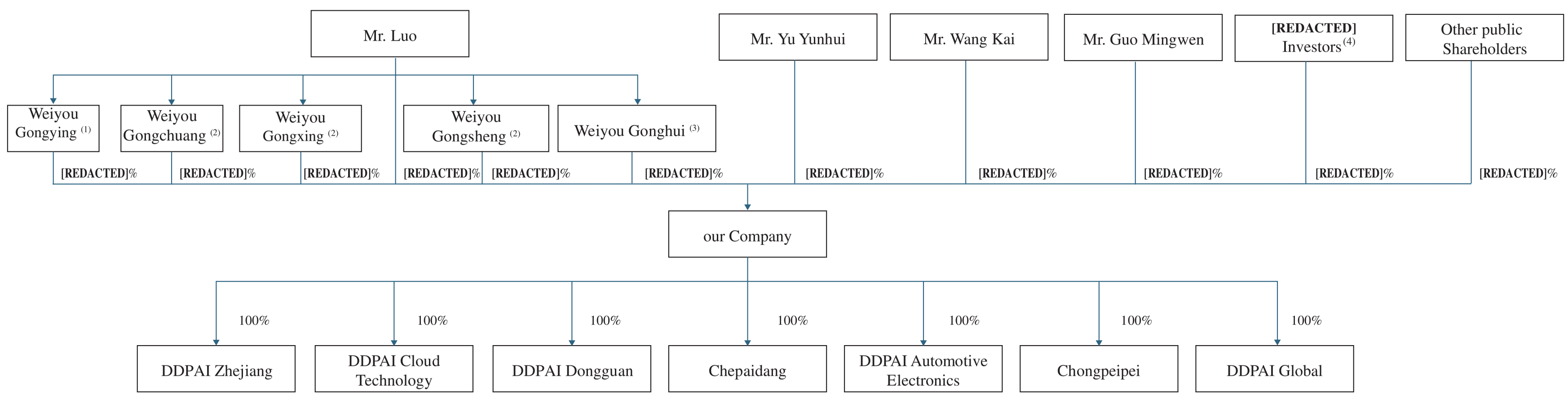
(2) Each of Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng is an Employee Incentive Platform. The general partner of Weiyou Gongchuang is Mr. Luo. The general partner of each of Weiyou Gongxing and Weiyou Gongsheng is Shenzhen Yichen. For details of the interest in our Employee Incentive Platforms, please see "Appendix VI – Statutory and General Information – D. Employee Incentive Schemes".

(3) Weiyou Gonghui is a limited partnership established under the PRC laws with Shenzhen Yichen acting as its general partner and holding 1.98% interest therein. The sole limited partner of Weiyou Gonghui is Lin Shuwu（林樹武）, an Independent Third Party, holding 98.02% interest therein.

(4) For the background of our **[REDACTED]** Investors, please see "**[REDACTED]** Investments – Information about the **[REDACTED]** Investors" in this section.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart sets forth our shareholding and group structure immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Notes:

(1) to (4) Please refer to the notes as set forth in "Our Structure Immediately Prior to the **[REDACTED]**" above.

OVERVIEW

Our mission

To become a personal assistant that perceives the physical world.

Our vision

To build a vibrant, fulfilling, fair and equitable platform for strivers that can be sustained for the long term.

Our values

To witness and share together.

Who we are

We are a PRC-based technology company specializing in vehicle smart imaging devices and the hardware, software and algorithm technologies that support these products. We apply our AIoT and visual algorithm capabilities to develop smart imaging solutions that broaden the functional scope of traditional imaging devices. Supported by our continued R&D investments, these technologies enhance imaging quality, safety-related functions and user experience, and contribute to the technical framework underlying our broader "mobile third space" ecosystem. These enhancements enable our devices to evolve beyond basic recording functions and provide ongoing functional improvements across different automotive, travel and lifestyle scenarios. According to Frost & Sullivan, in 2025 we ranked first in the global screenless vehicle smart imaging device market in terms of shipments with a market share of 7.0%, and we ranked second in the global vehicle smart imaging device market in terms of shipments with a market share of 4.9%, reflecting our established market presence and the scale of our global operations.

Our business model

We are primarily engaged in the R&D, manufacturing, and sales of vehicle smart imaging devices for automotive and travel scenarios, with dash cameras, which constitute our core type of vehicle smart imaging devices and are offered in a wide range of models under our DDPAI brand across different product series, being our major product category and the primary contributor to our revenue during the Track Record Period. In addition to dash cameras, our product portfolio also includes complementary in-vehicle products, such as 4G cloud boxes, smart car screens, and vehicle-mounted peripherals, which extend or enhance the usage of our core products. Besides, we offer customized dash cameras, rearview mirrors and smart car screens, and their printed circuit board assemblies ("**PCBAs**") primarily to automobile manufacturers, and such products are offered under third-party brands ("**Third-Party Brand Products**").

Our dash cameras enhance driving safety, record driving footage and travel moments, and support smart connectivity features that extend beyond traditional recording to form part of a broader "mobile third space" ecosystem. As components of this ecosystem, certain series of our dash cameras also incorporate AI-driven enhancements such as night-time image optimization and forward-collision warning and locking mechanism, and allow users to view, download and manage footage through our DDPAI App, and to access editing functions and share recorded content via cloud services.

We define product specifications based on user needs and market trends, and develop hardware, software and algorithm capabilities through our in-house R&D team. We maintain long-term relationships with suppliers of key components such as chips, sensors and lenses, and operate our own production facility in Dongguan, Guangdong Province (the "**Dongguan Facility**"), where we conduct major manufacturing processes including IQC, SMT, camera module focusing, DIP, assembly, aging and testing, as well as packaging.

We adopt a multi-channel sales model comprising (i) direct online sales through our self-operated stores on major e-commerce platforms and our direct-to-consumer ("**DTC**") channels; (ii) online and offline distributors; and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers.

Our market opportunities

The growth of our business is supported by the expansion of overseas markets, primarily in Asia (excluding Chinese mainland) and Europe, our R&D and innovation capabilities, our manufacturing capabilities of our Dongguan Facility, and our global sales network. According to Frost & Sullivan, the vehicle smart imaging device industry is expected to experience significant growth in our key overseas markets. Specifically, the market size in Asia (excluding Chinese mainland) is expected to expand from RMB6.1 billion in 2025 to RMB15.3 billion in 2030, representing a CAGR of 20.2%. Concurrently, the market size in Europe is projected to grow from RMB5.7 billion in 2025 to RMB8.9 billion in 2030, reflecting a CAGR of 9.3%. To capture these vast overseas market opportunities, our advanced Dongguan Facility provides a solid manufacturing foundation. Leveraging Dongguan Facility's comprehensive supply chain ecosystem, we not only possess scalable manufacturing capabilities but also ensure that our products meet stringent international quality standards through rigorous measures, enabling us to swiftly respond to the growing order volume in overseas markets.

To facilitate the conversion of our production advantages into global market share, we have established a global sales network comprising online and offline channels which covers a wide range of overseas markets. We are advancing our global expansion strategy by developing a distribution and delivery framework and working with distributors and other overseas partners across multiple regions. This global sales network supports our ability to serve users in different countries and regions and to supply products in a timely manner.

With the growth of overseas markets, the advanced R&D and innovation capabilities, the production capabilities of our Dongguan Facility, and the geographical reach of our global sales network, we expect to continue expanding our presence in overseas markets.

Our financial performance

Our business achieved sound financial performance during the Track Record Period. For the years ended December 31, 2023 and 2024, our revenue was RMB394.5 million and RMB352.4 million, respectively. Such a slight decrease was primarily due to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets. Our revenue subsequently experienced a significant increase of 35.0% to RMB475.6 million for the year ended December 31, 2025. This robust rebound was largely driven by the rapid expansion of our overseas sales. Specifically, our revenue generated from overseas markets increased significantly by 98.9% from RMB132.4 million for the year ended December 31, 2024 to RMB263.3 million for the year ended December 31, 2025. Commensurate with our continuous optimization of product mix and global expansion, our profitability improved steadily. For the years ended December 31, 2023, 2024, and 2025, our profit for the year was RMB18.6 million, RMB23.0 million, and RMB36.6 million, respectively, representing a strong CAGR of 40.2% from 2023 to 2025.

OUR STRENGTHS

We believe that the following are our competitive strengths which contribute to our success and position us for continued growth.

Deep product innovation driving our leadership in the vehicle smart imaging device industry, underpinned by our insights into industry and technological evolution and global user feedback

The vehicle smart imaging device market in which we operate is in a phase of continuous and steady growth. According to Frost & Sullivan, the global market size for vehicle smart imaging devices is expected to expand rapidly from RMB31.6 billion in 2025 to RMB64.2 billion in 2030, representing a CAGR of 15.2%. According to Frost & Sullivan, in 2025 we ranked first in the global screenless vehicle smart imaging device market in terms of shipments with a market share of 7.0%, and we ranked second in the global vehicle smart imaging device market in terms of shipments with a market share of 4.9%, reflecting our established market presence and the scale of our global operations. Our leadership is attributable to our comprehensive full-stack system capabilities, as we provide vehicle smart imaging products and solutions covering chip-level hardware, edge-side software and algorithms, cloud connectivity and storage, as well as DDPAI App management and user experience. We also excel in user experience and services, understanding and analysis of user needs, product and technology design, component and whole-machine production, as well as component-level supply chain management and end-to-end quality control. This market position provides us with a stable business foundation. Based on user feedback from global channels and technological development trends, we continuously focus on the innovation and iteration of our products and technologies to better meet and surpass global consumer expectations, thereby reinforcing our industry-leading position.

Starting with our DDPAI brand, we pioneered the industry by upgrading a traditional vehicle safety video camera into a smart device with AIoT attributes which achieved video editing and sharing functions through our DDPAI App. We enhanced the video quality across various scenarios to facilitate user-generated content sharing, and provided system solutions on the user's DDPAI Apps and camera devices, leading industry trends. To further enhance the in-cabin experience, we launched an Android-based in-vehicle version of our DDPAI App, allowing users to conveniently control our dash cameras via the vehicle's large screen. Meanwhile, we introduced 4G-enabled accessories to realize functions such as remote vehicle access and real-time transmission of front-and-rear video footage to the user's DDPAI App. We achieve full-link integration through the continuous development of device-side hardware, software, algorithms, cloud-based software, and the DDPAI App. This supports product development and iteration to meet the needs of global users. As of the Latest Practicable Date, our products had been sold to over 60 countries and regions globally, serving a cumulative total of over nine million end-users.

Leveraging our forward-looking product definition capabilities, technological advantages from vertical hardware-software integration, a replicable global operational model, and our continued focus on enhancing user experience, we have built significant differentiated advantages in the rapidly growing vehicle smart imaging device industry. These advantages not only grant us stronger product pricing power and brand recognition, but also allow us to accumulate robust financial strength, providing a solid foundation for our continuous investment in new technologies and the iteration of existing products. This, in turn, continuously consolidates our long-term sustainable development capabilities, core competitiveness, and resilience.

Deep dive into the underlying technologies of system-on-chip image processing pipelines and software systems to support scenario-based product demands through systematic platform innovation

We delve into underlying technology design to build the πChips hardware platform, the πOS software platform, and the πLens imaging platform. Our R&D process combines an integrated product development framework with agile development, through which we have formed a dual-engine strategy: technology-based platform development and iteration, alongside consumer demand-driven product innovation. This enables us to rapidly develop products that meet consumer needs while continuously enhancing user experience through underlying technological innovations.

The πChips hardware platform integrates high-precision gyroscope and GPS positioning technologies, IPS power management technology, and πLink multi-camera connection technology. The πLens imaging platform encompasses core technologies such as NightVIS night vision and AI ISP technologies. The πOS software platform includes fast discovery and access technology, simulated reality ("**SR**") driving experience technology, edge-cloud combined algorithm deployment, and remote access notification technology. Through these underlying technological systems, we have transformed dash cameras into smart terminals integrating visual perception, intelligent analysis, high-definition recording, and data transmission. We have transformed the traditional dash cameras from "post-event evidence collection" to vehicle smart imaging products and solutions featuring a combination of "pre-event prevention, efficient recording and convenient usage." Furthermore, through HD recording and smart editing and interactive functions, we have significantly enhanced the entertainment value and user experience of driving scenarios.

In terms of product design, our internal D2TOP (DDPAI Design Think of Philosophy) industrial design team creates differentiated products based on the installation environment, product philosophy, user-centric considerations, and user experience. A number of our products have won the iF Design Award and the Red Dot Award, including the DDPAI MINI 3 and DDPAI X3 Pro (Red Dot Award, 2018), DDPAI MINI 5 (iF Design Award, 2021), and DDPAI RANGER M1 (iF Design Award, 2025).

Supported by our solid technological accumulation and innovation achievements, we have been recognized as a High-Tech Enterprise (高新技術企業) and a National-Level Specialized, Sophisticated, Distinctive and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業). As of the Latest Practicable Date, we had obtained 104 authorized and valid patents in China, including 28 invention patents, and had 12 pending invention patent applications.

Building an "edge-cloud integrated" system architecture to support global user and device connectivity services

We deeply integrate edge computing, cloud computing and storage, data management, and DDPAI App interaction and editing functions to form a cross-platform πOS system covering various devices, cloud computing and storage services, and mobile operating systems ("**OS**"). This satisfies the user's needs for device management, data management, and privacy protection, and supports the flexible deployment of different functional requirements on the edge, cloud, and DDPAI Apps across various regions and countries.

The edge side primarily achieves the fusion of multiple sensors (such as visual sensors, acceleration sensors, radar sensors, and audio sensors), as well as local real-time computational processing, encoding, storage, and transmission of sensor data. The cloud side handles the processing, categorized storage, and refinement of device data, user data, and video streams. The DDPAI App side mainly facilitates customer-side function settings and display, as well as local video editing on the phone. Through the framework of these systems, we provide services such as video event push notifications, remote device video preview and playback, one-click generation of travel albums, and Vlog templates and editing for video content.

As cloud-based AI capabilities continue to strengthen, the upgrading of the cloud functions of the aforementioned systems will enable continuous iteration and upgrading of the user experience through the empowerment of edge devices by local video data, cloud AI video editing tools, and large AI models. This lays a solid foundation for the future development of AI Agents.

Globalized branding driving value growth and omni-channel marketing building competitive barriers

Adhering to our corporate value of "to witness and share together", we closely align with the user preferences across different regions and countries. Through continuous enhancement of product competitiveness, establishment of sales channels and retail networks, and the construction of user marketing platforms together with direct user feedback and service channels, we constantly deepen our direct connection and communication with users, with the aim of building a globally trusted brand.

In terms of sales channels, as of the Latest Practicable Date, our products had been sold in over 60 countries and regions, with broad online and offline channel coverage. Regarding sales channel construction, we utilize our DTC channels as a bridge for direct communication with users and a corporate window for sales and user services. Concurrently, we establish sales channel partnerships on a country or region basis, build integrated online and offline distribution and retail networks, and directly operate local e-commerce channels in certain key markets. We also build a user marketing and after-sales service system. We maintain a strong market share in regions including Chinese mainland and Asia (excluding Chinese mainland). During the Track Record Period, the revenue from our overseas markets achieved a CAGR of 74.9% from 2023 to 2025, and the revenue contribution from overseas markets continuously increased, exceeding 50% of our total revenue in 2025.

Visionary and pragmatic core management team and a strong talent engine driving innovation

We highly value talent and adhere to a people-oriented philosophy. Through years of development and accumulation, we have built a core management team with top-tier industry backgrounds, full-link practical experience, high stability, and strategic alignment. We have also established a comprehensive backbone system and knowledge base spanning technology, marketing, supply chain, finance, and operations.

In terms of talent deployment, we have gathered product, management, R&D, and marketing professionals in Shenzhen; supply chain, engineering, and production line professionals in Dongguan; and established a global user service organization in Guilin. Our core team members all hold bachelor's degrees or above, with approximately 10 years of experience in relevant fields at well-known enterprises. The core technical team covers areas including upper-layer chip application development, underlying chip driver development, algorithm development, as well as software and hardware architecture design.

We have established an employee development path featuring parallel professional and management tracks. Through training programs, share incentive schemes and a talent pipeline model, we support employee growth and help ensure business continuity. This design not only guarantees the stability and continuity of critical operations in the event of personnel changes but also fosters a highly efficient collaborative ecosystem of orderly internal competition, laying a solid talent foundation for our sustainable development.

OUR STRATEGIES

We plan to further strengthen our leading position by implementing the following business strategies.

Continuously penetrate the vehicle-centric "mobile third space" mobility market, build a global brand and growth flywheel, and accelerate global market expansion

We will continue to invest in AI technologies, particularly in areas such as system self-learning and scenario comprehension. Our product and market strategies have always been rooted in deep insights into the evolution of the "human-vehicle relationship". We recognize that vehicles are evolving from mere transportation tools into a "mobile third space", which has driven a fundamental shift in user demands for mobility imaging from single-purpose safety recording to broader scenario-based recording and enhanced creative expression. Based on this, we have pioneered and focused on the category of "AI mobility cameras" and built a clear product iteration roadmap and ecosystem expansion strategy around it.

By focusing on the vehicle-related "mobile third space" mobility market of nearly 1.7 billion vehicles and implementing a strategy centered on evolving customer needs, we aim to become a leading player in the global vehicle smart imaging market.

We are committed to establishing a global market presence to systematically develop strategic international markets and deepen our penetration in key overseas regions such as Europe and North America, driving sustainable growth in brand value and market share. Our strategy clearly focuses on the consumption upgrade opportunities in the existing automotive market, achieving replicable and scalable global growth through mature localized operations and a clear sales channel strategy.

On the logistics front, we are committed to building a highly resilient and integrated global fulfillment network. By strategically optimizing our cross-border logistics infrastructure and expanding our multi-regional warehousing footprint, we aim to achieve seamless localized inventory management, minimize transit time, and improve the delivery experience and satisfaction for our global users.

Pioneer AI mobility cameras and define mobility smart agents

Regarding AI mobility cameras, we will continue to deepen our AI-based smart imaging capabilities, focusing on the R&D of edge-based lightweight large models and multi-modal perception technologies. These developments aim to achieve more accurate understanding of complex and dynamic pan-mobility scenarios. Furthermore, we will continue to develop smart fusion and synchronization technologies for multiple cameras. By temporally and spatially aligning and deeply integrating the data streams from dash cameras and other devices, we can generate a more immersive and informative multi-view complete narrative for users. The breakthrough in this technology will revolutionize the user's "post-event editing" capabilities, laying a solid foundation for generating high-quality short travel videos through cloud-based AI tools.

Building upon these technological capabilities and synergies realized through our underlying protocols and AI capability layer, we intend to further deepen our overall product ecosystem strategy. We plan to build a broader smart mobility ecosystem platform encompassing in-vehicle recording, pan-mobility scenarios, intelligent interactions, and lifestyle extensions. Furthermore, we will explore brand-new product categories, such as proactive AI Agents that integrate robotic form factors with large models. Leveraging the prevailing trends of vehicle intelligence, connectivity, and the diversification of mobility consumption, we are committed to transforming from pure hardware sales to the development of a smart mobility ecosystem, an expansion from in-vehicle scenarios to pan-mobility coverage, and an evolution towards AI-driven interactive services.

We will continue to strengthen brand awareness and user mindshare in the incremental vehicle smart imaging device market, providing users with richer moment-capture capabilities documentation and flexible creation experiences that cannot be achieved by factory-installed systems. We will systematically build a "smart vehicle life" imaging ecosystem covering hardware, software, and services through our flagship product platform. The next-generation flagship product we plan to launch will not only represent the culmination of the aforementioned technologies, but will also serve as the core hub for ecosystem construction. It is designed to intelligently understand the user's intentions across a wide range of mobility scenarios, from static to dynamic, providing a seamless and uninterrupted smart imaging experience throughout the user's entire journey and enabling smooth access to professional imaging capabilities. Starting with this product, we will systematically introduce synergistic scenario-based accessories and cloud-based value-added services covering a broader mobility lifecycle.

Build a closed-loop growth model integrating hardware ecosystems and digital services

To break through the traditional hardware growth model, we will systematically construct a "smart vehicle life" imaging ecosystem commercialization closed loop centered on AI mobility cameras. Driven by the dual engines of high value-added hardware and digital services, we aim to achieve the transition from a product manufacturer to a platform-based ecological enterprise.

We intend to strengthen our hardware ecosystem and expand the lifetime value we deliver to users. We will center on our flagship products and vertically extend experience in different application scenarios. By meticulously designing highly synergistic official accessories, we provide users with complete scenario-based solutions. This model aims to meet nuanced demands across all scenarios, enhance the total lifetime value of users, and strengthen ecosystem stickiness.

We plan to develop digital services and generate recurring revenue. Based on massive imaging data and AI capabilities, we will build a diversified digital service subscription system, transitioning from selling "functions" to providing "continuous services," such as (i) smart content services: providing AI-auto-generated travel albums, Vlog templates, and digital footprint maps; (ii) data and security services: developing driving behavior analysis reports, fleet management platforms, and remote detection and early warning of vehicle status; and (iii) exclusive member experiences: establishing a tiered membership system to provide cloud storage upgrades, advanced tools, and insurance benefits.

These services will create stable, recurring revenue, reducing the sales fluctuations due to hardware sales and delivering more resilient financial performance. We will foster mutual promotion between hardware and digital services. Hardware serves as the user traffic attraction point for digital services, while digital services enhance hardware value and user stickiness. This forms a reinforcing growth model, which in turn iterates AI and drives our Company to achieve sustainable, high-value growth.

Build a global customer service and management system

We are committed to building a global market layout centered on customer service and management. By directly engaging with global users through our online platforms and offline channels, we establish deep user connections and brand loyalty. We will continue to invest in the technological upgrades and localized operations of these user platforms. Specifically, we aim to establish a customer-centric operational cycle by collecting and responding to user feedback, rapidly iterating and modifying our offerings based on such insights, and continuously improving our overall product and service quality across all dimensions, complemented by AI-powered personalized recommendation systems to provide tailored support.

Concurrently, we will rapidly replicate the customer service and user operation model that has proven successful in the PRC market, characterized by highly responsive customer care, profound user insight accumulation, and ecosystem service bundling, to other regions globally, achieving efficient, scalable, and high-quality global growth. Through this comprehensive customer management system, we can directly capture real-time user needs and experiential feedback, which feeds back into the optimization of our edge-based AI algorithms and cloud-based creation services, continuously reinforcing the brand mindshare that "smart vehicle life" imaging equals DDPAI.

Through our comprehensive customer service and management system, we will further strengthen our brand competitiveness, deepen user loyalty, and establish DDPAI's leadership position as the preferred brand for AI mobility cameras in the global competition for the "mobile third space" in the smart vehicle era. Specifically, by enhancing our full-lifecycle user support and intelligent service operations, we aim to transform user satisfaction into long-term brand value, thereby driving sustainable business growth and strengthening our market resilience.

OUR PRODUCTS

Our products primarily consist of vehicle smart imaging devices designed for automotive and travel scenarios. We apply our AIoT and visual algorithm capabilities to develop smart imaging solutions that broaden the functional scope of traditional imaging devices. Supported by our continued R&D investments, these technologies enhance imaging quality, safety-related functions and user convenience, and contribute to the technical framework underlying our broader "mobile third space" ecosystem. Within this framework, our products are designed to support software-enabled enhancements and connected functions, allowing certain models to incorporate AI-driven features such as night-time image optimization, forward-collision warning and locking mechanism, which proactively alerts drivers and secures footage prior to an anticipated impact. These capabilities enable our devices to evolve beyond basic recording functions and provide ongoing functional improvements across different automotive, travel and lifestyle scenarios.

We have two primary product segments: (i) dash cameras, and (ii) others which comprise complementary in-vehicle products that extend or enhance the usage of our core products and Third-Party Brand Products.

Dash cameras are our core product category and are offered across seven main series, namely, the MINI, Z, N, X, A, K and E series, of which the MINI, Z, and N series are our key product series. These main product series share a suite of core smart imaging and recording features ("**Core Smart Imaging and Recording Features**"), including:

- high-definition recording, supporting resolutions up to 4K to capture precise on-road details, with such capability extending to the front cameras in dual-lens models;

- NightVIS night-time image enhancement, our low-light processing technology based on AI image signal processing technology (**"AI ISP"**) that improves image clarity in dark or high-contrast environments;

- built-in dual storage, comprising an embedded multi-media card ("**eMMC**") and a microSD card, providing a more secure and stable storage path and enhancing storage safety in the collision locking mechanism;

- optional 4G cloud connectivity, enabling remote real-time preview, event trigger notifications, remote in-car intercom, remote assisted vehicle positioning and searching, and cloud video access;

- SR driving experience function, a feature that we first brought to the dash-camera segment in 2018 according to Frost & Sullivan, utilizing built-in sensors to capture real-time dynamic vehicle data, which is graphically rendered and synchronized as a virtual dashboard overlaid onto the recorded footage through our algorithms, providing users with an immersive, race-game-like visual experience;

- high dynamic range ("**HDR**") and wide dynamic range ("**WDR**") imaging technologies, enhancing dynamic range performance to reduce glare, preserve highlight and shadow details, and improve image clarity in high-contrast environments such as tunnels, night driving, or backlighting;

- one-click snapshot function implemented through our Bluetooth accessories; and

- G-sensor collision locking, an automatic event-recording mechanism triggered by sudden impacts or rapid vehicle acceleration.

While sharing these core features, each series is distinguished by its industrial design, hardware specifications, and target market positioning. Beyond product-level features, our dash cameras function as key devices within the "mobile third space" ecosystem. They comply with global regulatory standards and integrate with in-vehicle systems or IoT-enabled devices to support real-time recording, event-based detection, and cloud-connected video services.

The others product segment mainly includes:

- 4G cloud boxes, for enabling cellular connectivity and cloud-based video services;

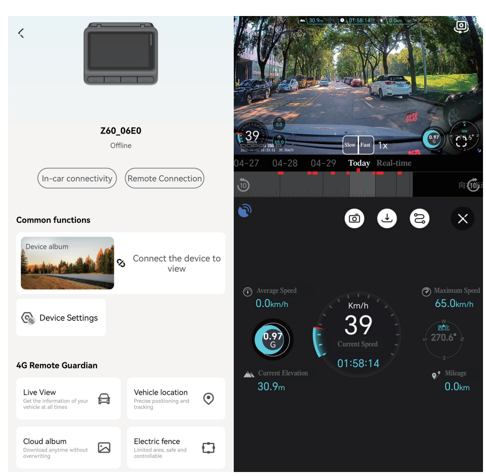
- smart car screens, for infotainment and driving-related visual interfaces;

- vehicle-mounted peripherals, for extending device installation and functional integration; and

- Third-Party Brand Products.

During the Track Record Period, our others product portfolio also included a small number of outdoor, action and home-use smart imaging devices.

We integrate our products with our DDPAI App, enabling users to access, view, download, and share real-time and recorded video footage on their smartphones. The DDPAI App provides cloud connectivity, remote live streaming, playback management, and user-friendly interfaces across iOS and Android devices.



The following table sets forth the revenue, sales volumes and average selling price of our products by product segment for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price
	RMB'000	*Unit'000*	*RMB/Unit*	*RMB'000*	*Unit'000*	*RMB/Unit*	*RMB'000*	*Unit'000*	*RMB/Unit*
Dash cameras	273,300	1,084	252.2	260,085	995	261.4	376,547	1,239	303.9
Others	121,163	1,566	77.4	92,308	1,338	69.0	99,057	1,760	56.3
Total	**394,463**	**2,650**	**148.9**	**352,393**	**2,333**	**151.0**	**475,604**	**2,999**	**158.6**

For further details, see "Financial Information – Description of major components in our consolidated statements of comprehensive income – Revenue – Revenue by product category."

Dash cameras

Our dash cameras under our DDPAI brand are organized into seven main series designed to address different user preferences and scenarios in driving safety, daily commuting and in-vehicle video recording and content creation.

MINI series

The MINI series is our compact flagship line, with prices ranging from RMB110 to RMB840. It is designed for fashionable appearance, everyday urban use, featuring a minimalist, screenless and ultra-small form factor that reduces obstruction to the driver's view while delivering stable recording performance. This series is particularly suitable for users who prioritize concealed installation and frequent DDPAI App interaction, and reliable performance in various urban environments. As one of our best-selling products, this series occupies a significant market share in the screenless category.

As one of our best-selling products on major e-commerce platforms, the series appeals to cost-conscious consumers seeking reliable and easy-to-use protection, with an established market presence in the screenless segment and consistently positive user feedback on stability, night-time performance, and ease of use.

MINI 3

MINI 7

Z series

The Z series is our versatile mid-to-high-end dash camera line, with prices ranging from RMB250 to RMB2,500. It is designed for users who require on-device playback, multi-angle coverage and enhanced driving-assistance capabilities, featuring built-in two- to three-inch screens and flexible multi-channel configurations.

In addition to the Core Smart Imaging and Recording Features, the Z series incorporates a set of advanced imaging, safety and connectivity functions designed for family, long-distance and professional driving scenarios. These include:

- three-channel and four-channel recording, supporting front and rear cameras and optional interior or side-view camera modules to enable synchronized multi-angle recording, providing broader visual coverage for complex road conditions and vehicles with multiple users;
- πLink wireless connectivity, which enables patented direct synchronization and data transfer among the devices through our low-latency wireless communication protocol;
- full-function ADAS alerts, offering forward-collision warnings, lane-departure alerts and other driving-assistance notifications to support safer long-distance travel;
- AI-enhanced imaging and interaction, leveraging dedicated processing chips and large-model algorithms to support real-time scene recognition, improved exposure and dynamic-range control, and more accurate ADAS alerts, while also enabling voice interaction for recording, capturing and switching views; and
- efficient encoding with support for up to 512GB storage, enabling extended recording duration and reduced file size without compromising image quality, particularly suitable for long-distance driving and high-resolution footage.

These advanced features make the Z series suitable for family users, long-distance drivers and professional fleets that require comprehensive coverage, on-device playback and enhanced driving-assistance capabilities.

Z90

N series

The N series is our global-oriented dual-channel dash camera line, with prices ranging from RMB170 to RMB1,150. In addition to the Core Smart Imaging and Recording Features, the N series supports bidirectional radar assisted parking monitoring that detects nearby movement when the vehicle is parked, together with AI-based anomaly detection that identifies unusual activity to trigger event recording in both daytime and night-time conditions. The series also utilizes our NightVIS enhancement to improve brightness and detail in low-light environments such as underground garages or nighttime street parking. The N series also supports three-channel and four-channel recording configurations, featuring front and rear cameras with optional cabin or side-view camera modules to achieve synchronized multi-angle recording, providing broader visual coverage for complex road conditions and multi-user vehicles.

Designed for international markets, the series includes a rich portfolio of models and a comprehensive sub-product matrix catered to the localized needs of different consumer segments across different countries, featuring specialized features such as multi-language support and adaptability to extreme environments.

N1

N5

X series

The X series is our performance-oriented dual-lens dash camera line, with prices ranging from RMB1,050 to RMB2,599. It is designed for high-speed, high-vibration and rugged driving conditions, featuring reinforced structural design to improve vibration and impact resistance, fast-response imaging systems, SR functionality across the entire series and enhanced durability for demanding environments.

In addition to the Core Smart Imaging and Recording Features, the X series provides the full-function ADAS alerts and optional 4G connectivity and incorporates a set of performance-driven imaging, durability and safety functions tailored for enthusiasts and professional drivers.

These performance-enhanced features make the X series particularly suitable for automotive enthusiasts and professional users who require stable recording, rapid response and durable operation under high-speed or rugged driving conditions.

X5

A series

The A series is our Chinese mainland market focused front-facing dash camera line, with prices ranging from RMB359 to RMB899. In addition to the Core Smart Imaging and Recording Features, the A series incorporates parking monitoring that records activity when the vehicle is stationary, together with emergent hard-brake recording that captures sudden braking events. Designed for urban and budget-conscious users, the A series provides essential driving and parking coverage in a compact and cost-efficient configuration.

A2

K series

The K series is our front-facing dash camera line focused on enhanced night-time visibility, ADAS and bidirectional radar assisted parking monitoring, with prices ranging from RMB420 to RMB770. In addition to the Core Smart Imaging and Recording Features, the K series satisfies specific seamless design-alignment and integration requirements by offering various form factors tailored to specific vehicle models. We have launched products with specific form factors, achieving compatibility with over 500 different vehicle models.

E series

The E series is our dash cameras in the format of rearview mirrors, with prices ranging from RMB250 to RMB500, featuring a 9.35-inch high-resolution digital display and integrated front and rear cameras. This design provides a wider field of view, reduces glare and blind spots, and delivers clearer real-time rear visibility for safer driving and easier reversing.

The E series supports touch controls and dual recording, enabling simultaneous front 1600P and rear 1080P video capture.

It also provides low-latency streaming for smooth and sharp images, AI-based ISP enhancement to improve image quality in low-light conditions, vehicle reversing assistance lines and 24-hour parking monitoring.

E3

Others

The products under this segment primarily serve as complementary hardware to our dash camera portfolio. Some of them are designed to extend the application of our AI-enabled recording and monitoring capabilities by supporting connectivity, display, installation and scenario-specific usage across different vehicle types, riding environments and in-vehicle interfaces.

4G cloud boxes

Our 4G cloud box is a 4G LTE connectivity device, with prices ranging from RMB190 to RMB580. It provides network access for compatible dash cameras, including the MINI, N, Z, and X series, enabling these devices to operate with continuous network access.

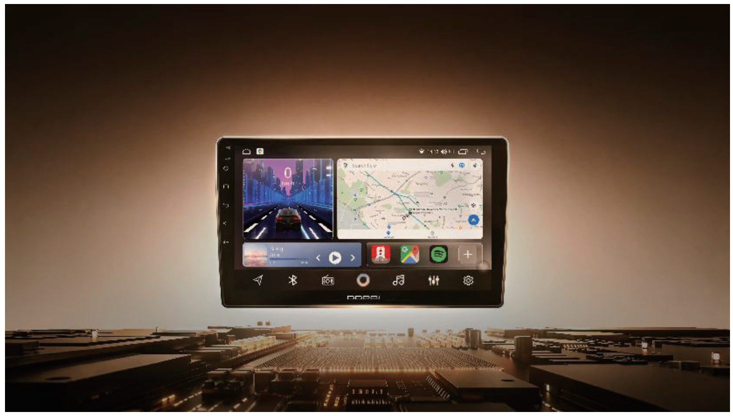
With 4G interconnection, our dash cameras support advanced functions including parking-mode sentry monitoring, remote two-way voice communication, and remote configuration, as well as specific capabilities that remain active even in the sleep mode—such as user-initiated remote vehicle viewing, remote collision warnings, cloud-based content storage, and real-time notifications when the vehicle is entered, moved, or leaves its parking location—thereby overcoming the limitations of traditional offline-only devices. The 4G cloud box also connects with our πLink multi-device networking system to support seamless data transmission and multi-view monitoring across connected devices, aligning with our long-term vision of building a "mobile third space" ecosystem.

4G cloud box

Smart car screens

Our smart car screens, with prices ranging from RMB1,699 to RMB2,599, integrate high-resolution IPS touchscreens equipped with wireless screen mirroring technology, enabling seamless navigation, media playback, voice assistant, and real-time synchronization with dash cameras for viewing footage directly on the device. This product strengthens the linkage between dash camera recording and in-vehicle infotainment, positioning it as a complementary upgrade for users seeking a more connected and fluent cockpit experience.

These screens support multiple features including Bluetooth connection, WiFi wireless display, 4G LTE, and GPS. They also feature durable anti-glare coatings, energy-efficient processors, and plug-and-play installation.



Smart car screens

Vehicle-mounted peripherals

Our vehicle-mounted peripherals, with prices ranging from RMB25 to RMB500 depending on type and specifications, include essential add-ons such as step-down cables, car chargers, rear cameras and high-endurance microSD cards, all designed to support stable dash camera operation, enable 24/7 parking-mode recording, and provide safe and seamless power and data integration without affecting vehicle installation or appearance.

Third-Party Brand Products

While continuing to develop our DDPAI brand, we also provide dash cameras, smart car screens, and their PCBAs to primarily automobile manufacturers under their third-party brands. We collaborate with them on product development or manufacture products based on their specifications and design requirements.

RESEARCH AND DEVELOPMENT

We have established a talent structure combining industry experts and technical specialists, fostering an innovative and collaborative R&D environment. We allocate R&D resources with a long-term growth orientation, focusing on technologies and application scenarios with significant growth potential.

Our R&D department comprises four primary divisions: two product development teams, a platform development team, and a project management team. The platform development team specifically encompass the development teams for πChips hardware platform, πOS software platform, and πLens imaging platform, alongside support personnel responsible for product structure and packaging design. These divisions collectively drive the integration of core technologies with the end-user applications. As of December 31, 2025, our R&D department comprised 102 employees, with over 80% holding a bachelor's degree or above. We have made, and will continue to make substantial R&D investments to support our long-term development. For the years ended December 31, 2023,2024 and 2025, our R&D expenses were RMB31.6 million, RMB26.9 million, and RMB32.1 million respectively, accounting for 8.0%, 7.6%, and 6.8% of our total revenue for the respective years.

Our core R&D platforms

Our three core technology platforms, namely πChips hardware platform, πOS software platform, and πLens imaging platform, collectively constitute the technological foundation of our products, establishing a tripartite complementary infrastructure that integrates hardware driving, software intelligence, and image optimization. Driven by market insights and evolving product roadmaps, our individual product lines act as the demand-driven initiators to propose specific product requirements, to which our three technology platforms respond in a highly coordinated manner. By leveraging the cross-platform reusability and standardized capabilities of these technology platforms, we expect to accelerate our next-generation product development cycles, thereby achieving efficient commercialization and scalable deployment of our technological advancements.

πChips hardware platform

Our πChips hardware platform is our edge side hardware driver platform encompassing both the chip hardware layer and the board support package ("**BSP**") software layer, providing the underlying hardware support and driver capabilities for our entire series of smart dashcameras, complementary in-vehicle products and Third-Party Brand Products. Driven by our core strategies of component normalization, hardware platformization, and BSP standardization, the πChips hardware platform integrates multiple generations of chip architectures to enhance compatibility and supply chain flexibility, serving as the end-to-end technical foundation spanning from initial chip selection to final PCBA delivery to optimize our PCBA development efficiency and product quality. The architectural design of our πChips hardware platform is to deliver significant operational and technological efficiencies, enabling us to: (i) reduce R&D resource allocation and accelerate development cycles for new product PCBAs through platformization and component normalization; (ii) ensure driver stability and consistency under a standardized BSP framework, thereby minimizing underlying firmware and driver-level defects; (iii) lower raw material costs and inventory management risks through component normalization, thereby strengthening our economies of scale in procurement; and (iv) facilitate continuous technical accumulation and implementation of next-generation chip technologies.

πOS software platform

Our πOS software platform is our edge-cloud cross-platform software platform encompassing three distinct functional layers across the DDPAI App side, the cloud side, and the edge side, establishing an integrated edge-cloud software technology middleware that serves as the core software engine driving the intelligence of our products. The core architectural design of our πOS software platform is intended to utilize AI Agents as the central runtime environment across all three modalities, which are designed to invoke underlying hardware and software capabilities through standardized command-line interfaces ("**CLI**") and to facilitate direct cross-modality communication and collaborative computing among the respective agents via our proprietary agent-to-agent protocol.

Our πOS software platform is designed to help us to achieve end-to-end multi-modal data processing and digital service delivery across our entire product ecosystem, where: (i) the edge side primarily achieves the fusion of multiple sensors (such as visual, acceleration, radar, and audio sensors), as well as local real-time processing, encoding, storage, and transmission of multi-modal sensor data under low-power and hard real-time operating conditions; (ii) the cloud side runs multiple service agents designated to handle dedicated business functions including user operations, consumer services, data analytics, and over-the-air ("**OTA**") firmware distribution, systematically processing, categorically storing, and refining device data, user data, and video streams while leveraging AI models for efficient resource allocation and task coordination; (iii) the DDPAI App side mainly facilitates customer-side function settings and display, remote hardware control, high-speed video previews, as well as local video editing on the mobile phone; and (iv) through the cross-layer orchestration and system-level collaboration of these edge, cloud, and application frameworks, we provide terminal users with stable and low-latency digital services, including real-time video event push notifications, remote device video preview and playback, one-click automated generation of travel albums, and customized Vlog templates and advanced editing workflows for high-volume video content.

πLens imaging platform

Our πLens imaging platform is our image processing platform responsible for the end-to-end development and delivery of camera modules, encompassing full-stack capabilities such as optical design, camera module development, ISP tuning, and image quality optimization. Driven by our core strategies of lens normalization, development platformization, and process standardization, the platform serves as the core technical safeguard for the imaging competitiveness of our automotive vision products. Supported by this foundational framework, we have successfully developed several core technologies, including our NightVIS night-time image enhancement and AI-enhanced imaging and interactive features.

Our πLens imaging platform is designed to deliver significant operational and technological efficiencies, enabling us to: (i) significantly shorten the development cycles for new lens solutions through lens normalization and development platformization; (ii) ensure the stable and controllable delivery quality of camera modules by leveraging standardized development workflows and platform-based tools; (iii) lower procurement and inventory management costs through component normalization while minimizing redundant development investments via platformization; and (iv) drive continuous technical breakthroughs in advanced imaging domains, such as ultra-high-definition and low-light imaging, thereby accelerating the commercialization of our technological advantages across our product pipelines.

Our R&D process

We have established a systematic R&D process to align product development with market demand, technological trends and our strategic objectives. Our R&D process covers the entire lifecycle of R&D projects from initial concept to mass production, with rigorous quality control and efficient resource allocation at each stage. The key stages of our R&D projects are as follows:

- **Market analysis and initial concept.** We conduct comprehensive market research and technology trend analysis to form initial product concepts, and assess technical feasibility, commercial value and resource requirements to ensure R&D direction aligns with market demand.

- **R&D planning.** Based on the initial concept, we refine product specifications, including functional and performance targets, and formulate detailed development plans, covering timelines, milestones, resource allocation, risk management as well as business and marketing strategies to guide subsequent stages.

- **Design and development.** We conduct detailed product design, considering testability, manufacturability, maintainability and reliability to ensure robust product architecture.

- **Product testing and validation.** We conduct small-batch pilot production for massive manufacturability verification, followed by system verification, certification and benchmark testing and beta testing. Final product specifications are confirmed upon successful completion of testing.

- **Product launch.** We coordinate cross-functional teams, including marketing, manufacturing, supply chain and sales, to support the market introduction of new products.

We have achieved a series of technological advancements in vehicle smart imaging devices, including AIoT, visual algorithms, chip design and product engineering, enabling us to deliver high-performance and reliable products to global customers. Leveraging our in-depth secondary development capabilities at the chip level, we have built a product platform integrating chip-level, module-level and algorithm-level development, with core strengths in signal processing and underlying algorithms based on high-performance system-on-chip chips. Our independently developed AI technologies, including machine learning and edge computing, have been successfully applied in scenarios such as ADAS alerts, DMS and AI ISP night-time image enhancement. These technological achievements not only underpin our current product offerings but also position us to capture emerging opportunities in the intelligent travel and next-generation in-vehicle electronic applications, in line with our strategic direction of "mobile third space" ecosystem.

PRODUCTION

Planning and execution process

Our commercial department provides sales forecasts, and our planning department conducts raw material analysis based on the forecasts to form a production scheduling plan, under which our annual designed production capacity is determined by the required labor inputs. Our procurement department then verifies raw materials with suppliers. Based on supplier feedback, weekly and daily plans are formulated and implemented. Our production department monitors real-time data related to quality control and production efficiency. Upon completion of production, shipping data is compiled by the production department and provided to the commercial department for logistics arrangements with the support of our manufacturing execution system ("**MES**").

Production flow

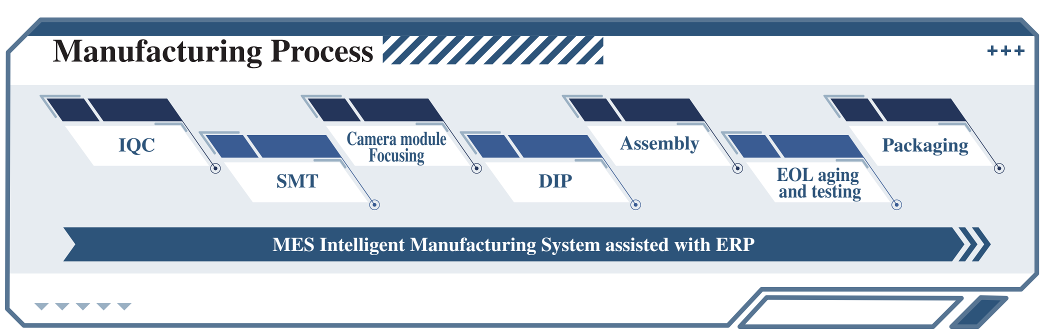
Our intelligent manufacturing process is carried out through an automated and integrated production flow covering incoming quality control ("**IQC**"), SMT, camera module focusing, DIP, assembly, aging and testing, as well as packaging. The process is supported by our MES for production flow tracking and traceability, together with enterprise resource planning ("**ERP**") and other internal systems for coordination. The following table sets forth our main process of production:

Step	Production Flow	Description
1.	Incoming quality control ("**IQC**")	We conduct rigorous inspections and testing on raw materials, components, and parts delivered by our suppliers before they are accepted into the production line to ensure they meet our specified quality standards.
2.	Surface mount technology ("**SMT**")	*Printed circuit boards* ("**PCB**") *preparation and solder paste application*. PCBs are first loaded into the SMT production line. Solder paste is applied by a printer onto the pads of the circuit board, and the solder paste is inspected to check its coverage and thickness. The boards are then stored temporarily in buffers before components are placed. *Component placement and soldering*. Components are placed by SMT machines according to programmed layouts. Boards undergo 2D automated optical inspection, reflow soldering, and 3D automated optical inspection to verify solder joints. Supplementary component placement or adjustments are performed where required.

Step	Production Flow	Description
3.	Camera module focusing	Following the SMT process, the camera modules undergo precise optical calibration to achieve optimal clarity and focus.
4.	DIP	Specific electronic components are inserted into pre-drilled holes on the circuit board and securely soldered, which is followed by the preparation of structural components and auxiliary materials, and the separation of main boards from sub-boards to enable subsequent single-board testing and assembly.
5.	Assembly	Single boards processed from the preceding stages are integrated with structural components in strict accordance with the requirements of our product manufacturing instruction manuals to form semi-finished units, followed by software upgrades to ensure the required firmware versions are properly installed.
6.	End-of-line ("**EOL**") aging and testing	Whole-unit assembly and EOL aging are performed. The units then undergo product functional testing, followed by image testing. The process concludes with final inspection of the completed product.
7.	Packaging	Completed products that have passed final inspection proceed to packaging.

All these steps are conducted in controlled production environments, and our MES system provides process monitoring and traceability throughout the workflow.

The following diagram sets forth our main process of production:



Following the production process, finished goods are transferred to our warehousing and logistics system for storage and distribution. For further details of our warehousing, logistics and inventory management, see "– Warehouse, logistics and inventory management" in this section.

Production outsourcing

We outsource a portion of our production, specifically the manufacturing of a small amount of our E series of dash cameras and smart car screen products. We select these specific products for outsourced production primarily because they involve relatively lower production complexity, which allows us to optimize our cost efficiency. Meanwhile, we utilize such outsourced production arrangements to maintain and enhance our production flexibility and to effectively coordinate our overall production capacity, particularly when addressing fluctuating market demands or optimizing our internal resource allocation.

We select qualified outsourcing manufacturers primarily engaged in the assembly and manufacturing of smart hardware and consumer electronics. Prospective manufacturers are subject to an initial trial period, during which their production capabilities, yield rates, and quality control standards are thoroughly evaluated. They may become our approved outsourced manufacturers upon successful completion of this assessment. We set strict standards for production procedures and engage eligible manufacturers to complete the outsourced production services. We generally enter into outsourced production agreements with relevant manufacturers on an as-needed basis. The agreements typically specify the service scope, quality requirements, and payment terms. Under our standard outsourced production arrangements, we are generally granted a credit period of 30 days upon our acceptance of the products and receipt of the relevant invoices, and payments are typically settled via bank transfers. Based on our actual business needs, we place purchase orders specifying the product categories, specifications, quantities, and delivery schedules.

To the best of our knowledge, during the Track Record Period, all of our outsourced manufacturers were Independent Third Parties. Furthermore, to avoid potential conflicts of interest and ensure clear supply chain management, none of our outsourced manufacturers overlapped with our raw material or component suppliers during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, our purchase amount from outsourcing manufacturers was RMB0.9 million, RMB2.4 million and RMB3.7 million, respectively, and the sales of such products accounted for 0.2%, 0.7% and 0.8%, respectively, of our total revenue, in the same periods.

Production facility

As of the Latest Practicable Date, we operated the Dongguan Facility, with a gross floor area of approximately 9,174.4 square meters, which commenced commercial production in 2017. It primarily produces DDPAI brand vehicle smart imaging devices as well as Third-Party Brand Products. The facility owns three SMT production lines with a monthly capacity of 95 million points, two camera module assembly lines with a monthly capacity of 280,000 units, three final assembly and packaging lines with a monthly capacity of 250,000 sets. It features 100% PC-based functional testing and high-temperature EOL aging processes. The Dongguan Facility has held IATF 16949 certification since 2018, and is supported by integrated MES, ERP and OA.

We previously operated a production facility in Pinghu, Zhejiang Province (the "**Pinghu Facility**") from March 2021 until its closure in February 2024. During the Track Record Period, the Pinghu Facility operated alongside our Dongguan Facility and was primarily engaged in the assembly and packaging of the MINI series models of dash cameras. In January 2024, to further consolidate production resources, enhance production efficiency and strengthen synergies with the core electronic supply chain in the Greater Bay Area, we closed the Pinghu Facility and centralized our production facilities at the Dongguan Facility.

Production capacity, volume and utilization rates

We manufacture or assemble smart imaging mainframes for dash cameras, smart car screens, and Third-Party Brand Products, as well as ancillary camera modules and peripherals, which refer to supplementary components designed to enhance the functionality and operational ecosystem of the finished devices, such as 4G cloud boxes and vehicle-mounted peripherals.

The following table sets forth our designed production capacity, actual production volume and utilization rates of our production facilities for the smart imaging mainframes and ancillary camera modules and peripherals we manufactured or assembled for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Designed production capacity[(2)]	Actual production volume	Utilization rate	Designed production capacity[(2)]	Actual production volume	Utilization rate	Designed production capacity[(2)]	Actual production volume	Utilization rate
	Unit	*Unit*	*%*	*Unit*	*Unit*	*%*	*Unit*	*Unit*	*%*
Smart imaging mainframes[(1)]	1,600,000	1,484,790	92.8	1,675,000[(3)]	1,397,858	83.5	1,675,000[(3)]	1,655,886	98.9
Ancillary camera modules and peripherals[(1)]	420,000	395,182	94.1	450,000[(3)]	417,788	92.8	700,000[(4)]	676,757	96.7

Notes:

(1) We adopt different product categorization for marketing and production purposes due to differing operational focuses. The marketing product classification (i.e., dash cameras and others) centers on product functions and consumer habits to optimize sales strategies, whereas the production product classification (i.e., smart imaging mainframes, and ancillary camera modules and peripherals) is based on assembly line complexity. The production product classification illustrates a more meaningful calculation of actual production capacity and utilization rates.

(2) Designed production capacity is calculated based on production processes and facilities, operating six days per week and 10 hours per shift every working day for 30 days per month, and the manufacturing workforce we allocated in accordance with our annual sales estimates.

(3) The increase in designed production capacity in 2024 and/or 2025 compared to 2023 was primarily attributable to the expanded manufacturing workforce we allocated in light of higher annual sales estimates.

(4) The further increase in designed production capacity in 2025 compared to 2024 was primarily driven by the robust overseas market demand for our N series models and our Z series models of dash cameras featuring multi-channel configurations. As these product lines require a higher volume of ancillary camera modules, we expanded our production capacity for these ancillary modules to better support the increased demand for such products.

Production machinery and equipment

Our production facility is generally equipped with advanced production machinery and equipment, supporting high-precision, automated manufacturing of products. We adopt a straight-line depreciation method for our production machinery and equipment.

The following table sets forth details of our major production machinery and equipment as of December 31, 2025.

Name	Key features or functions	Age
Machinery and equipment for SMT		
Chip mounter (Surface-mount technology machine)	The function is to rapidly and accurately pick up surface mount components from the feeder and precisely place them onto the designated solder pads of the PCB that have been coated with solder paste.	3 years
3D automated optical inspection 3D automated optical inspection ("**AOI**")	The function is to utilize 3D imaging technology to automatically and with high precision detect the assembly quality (such as position, height, polarity) of components on the circuit board on the production line of electronic products.	3 years
X-ray inspection machine	The function is to utilize the penetrating property of X-rays to conduct non-destructive testing on the already welded circuit boards.	4.5 years
Machinery and equipment for camera module focusing, DIP and assembly		
PCB depaneling machine	The function is to cut connected PCBs into single boards in a safe, efficient and low-stress way.	4.6 years
Desktop vision-guided dispensing machine	The function is to position camera automatically with high-precision automatic glue dispensing.	6.3 years
Passive auto-focusing machine	The function is to automatically find clear focus points for cameras, with glue dispensing and curing function.	1.4 years

We own all our production machinery and equipment, most of which is sourced from reputable manufacturers. Our repair and maintenance team works closely with equipment suppliers and their after-sales personnel to perform regular maintenance, ensuring that all machinery remains in optimal working condition. Our in-house technical and engineering staff periodically upgrade and reconfigure the equipment to meet our specific production requirements and adapt to evolving technological needs. As more advanced technologies become available, we proactively replace or upgrade machinery and equipment to support our production expansion and continuous technological advancement.

During the Track Record Period, we did not experience any material production disruption due to the unexpected failure of production flows or equipment. We typically engage multiple suppliers for our production machinery and equipment and do not rely on any single supplier. We have established stable long-term business relationships with these suppliers to ensure uninterrupted business operations.

Production expansion plans

In order to meet the fast-growing market demand for our products, we plan to further expand our production capacity of our Dongguan Facility. We are procuring production equipment in phases (such as X-ray counter, pre-reflow AOI, automated camera module cleaning and assembly machine) to increase our annual production capacity for smart imaging mainframes from 1,675,000 units to 2,000,000 units, which is expected to be completed by December 2026. These production expansion plans will be financed entirely by our internal capital and will not involve the **[REDACTED]** from the **[REDACTED]**.

We believe that our production expansion plans will further strengthen our production capacity, maintain our market position and realize our market potential.

SALES AND MARKETING

Our sales and marketing efforts are led by a dedicated and experienced team that plays a key role in driving brand awareness, engaging consumers, identifying emerging opportunities, and promoting our innovative AI-enabled vehicle smart imaging devices. As of December 31, 2025, our sales and marketing team consisted of 163 members, including direct online sales operating personnel, account managers, marketing specialists, digital content creators, and key opinion leaders partnership coordinators. The majority are based in our headquarters in Shenzhen.

We have established a coordinated marketing structure integrating brand marketing, product marketing, sales marketing, and user management functions. Our brand marketing focuses on the centralized management of global social media channels and the organization of international exhibitions and product launches. Our product marketing team develops digital promotional materials based on product features and user scenarios, while regional sales marketing teams operate localized media networks and collaborate with local content creators to address regional market demand. These functions are supported by an internal creative design team responsible for visual assets across all channels and a global user management team that facilitates direct consumer engagement and feedback collection.

We have established a global multi-channel sales and distribution network, including (i) direct online sales, including our self-operated stores on major e-commerce platforms and our DTC channels; (ii) online and offline distributors; and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese mainland						
Direct online sales	94,594	24.0	71,922	20.4	89,715	18.9
Distributors						
– Online distributors	82,402	20.9	64,739	18.4	52,467	11.0
– Offline distributors	43,743	11.1	21,699	6.2	19,619	4.1
Others	87,657	22.2	61,664	17.5	50,486	10.6
Sub-total	**308,396**	**78.2**	**220,024**	**62.5**	**212,287**	**44.6**
Overseas						
Direct online sales	11,991	3.0	23,065	6.5	67,598	14.2
Distributors						
– Online distributors	–	–	2,878	0.8	1,579	0.3
– Offline distributors	73,680	18.7	106,196	30.2	192,365	40.5
Others	396	0.1	230	0.0	1,775	0.4
Sub-total	**86,067**	**21.8**	**132,369**	**37.5**	**263,317**	**55.4**
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

For further details, see "Financial Information – Description of major components in our consolidated statements of comprehensive income – Revenue – Revenue by sales channel."

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Chinese mainland	308,396	78.2	220,024	62.5	212,287	44.6
Asia (excluding Chinese mainland)	59,741	15.1	94,142	26.7	205,733	43.3
America	6,787	1.7	7,830	2.2	18,894	4.0
Europe	17,562	4.5	24,043	6.8	24,783	5.2
Others	1,977	0.5	6,354	1.8	13,907	2.9
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

For further details, see "Financial Information – Description of major components in our consolidated statements of comprehensive income – Revenue – Revenue by customer location."

Direct online sales

Our direct online sales channel includes our self-operated stores on major domestic and overseas e-commerce platforms, as well as our DTC channels through our official website and DDPAI App. This channel allows us to sell our DDPAI brand products directly to end consumers, maintain full control over product presentation, pricing, promotions and customer service, and collect real-time consumer feedback for product optimization.

Distributors

Our distributors channel encompasses a multi-tiered network, including primarily (i) e-commerce platforms, (ii) car repair shops in China and (iii) overseas regional agents. For the years ended December 31, 2023, 2024, and 2025, revenue from distributors amounted to RMB199.8 million, RMB195.5 million, and RMB266.0 million, respectively, accounting for 50.7%, 55.6% and 55.9%, respectively, of our total revenue, in the same periods.

During the Track Record Period, we entered into non-exclusive framework agreements only with a portion of our distributors. To maintain operational flexibility and accommodate varying local business practices, we conducted sales through purchase orders ("**POs**") without entering into distributorship agreements with some of our PRC distributors and all of our overseas distributors.

Our standard distributorship agreements typically cover comprehensive terms, including designated distribution areas, pricing guidelines, quality standards, and strict intellectual property policies. In contrast, the POs placed by our distributors generally only specify the essential transaction details, including product type, specifications, quantity, unit price, delivery location, and payment terms. POs do not impose explicit geographical restrictions or minimum purchase commitments on the buyers.

According to Frost & Sullivan, it is an industry norm for smart imaging device manufacturers to conduct business with certain distributors, particularly overseas entities or smaller-scale regional players, solely through POs without framework contracts. This is primarily because: (i) considering the rapid product iteration and fluctuating market demand in the vehicle smart imaging device industry, the PO-based model provides these customers with greater operational agility to make ad-hoc procurements based on changing end-market demand and their real-time inventory levels, thereby significantly mitigating inventory overstock risks; and (ii) some overseas regional agents often have limited financial resources. They prefer the flexibility of the PO-based model to synchronize their procurement plans with their liquidity and working capital, without undertaking any minimum purchase commitments, rigorous performance targets, and financial burdens typically associated with long-term framework agreements. In this regard, as advised by our legal advisers as to the laws of the relevant key jurisdictions where our material overseas distributors are located, comprising Malaysia, Saudi Arabia and Philippines, the POs between such distributors and us constitute legal, valid and binding agreements under the respective applicable local laws.

Consequently, these customers often prefer the flexibility of the PO-based model, which allows them to synchronize procurement with their liquidity and settlement capabilities. Under the PO-based model, each individual PO constitutes a legally binding contract, specifying essential terms such as pricing, product specifications, and delivery schedules, thereby ensuring the legal validity of each transaction.

We apply differentiated workflows and management methodologies based on whether a distributor has an agreement with us:

- Distributors with framework agreements: We adopt a rigorous, structured process to select these distributors, evaluating their market coverage capability, industry expertise, financial stability, and operational capacity. We monitor their sales performance in real-time via our ERP system, conducting yearly reviews for underperforming or non-compliant partners.

- Distributors without framework agreements (PO-based): The workflow is streamlined to maximize transaction efficiency. Upon receiving a PO, our sales team verifies the distributor's background, confirms internal production capacity, and finalizes the pricing. While we do not bind them with long-term covenants, we exercise control by closely monitoring their order frequency, volume trends, and geographical delivery points through our internal systems. Furthermore, we mitigate credit risks by strictly enforcing a payment-before-delivery policy for these distributors.

We do not adopt a cannibalization strategy to artificially inflate our sales. To mitigate the risks of channel stuffing and cannibalization among our distributors, we have implemented robust risk management mechanisms. We geographically diversify our distributor base and carefully review the sales regions to minimize direct competition. Furthermore, we do not assume repurchase obligations for distributors' unsold inventory, with returns permitted solely for defective products in accordance with applicable laws. By tracking the historical purchase volumes and frequency of our non-contracted distributors, we ensure that their procurement aligns with reasonable market demand.

In line with market practice, we primarily enter into standard distribution agreements with our distributors, which are sales and purchase agreements in nature. We also entered into consignment agreements with certain online distributors during the Track Record Period, who resold our products to end-customers through their online platforms. Under sales and purchase agreements, we have a buyer-seller relationship with distributors and recognize revenue when they accept our products upon delivery. Under consignment agreements, we recognize revenue when end-consumers confirm acceptance of our products on the relevant online platform. Our distributors are not allowed to sub-distribute our products to other parties. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any sub-distributors of our products.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and none of our distributors were controlled by our former or current employees. To the best of our knowledge, except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Movements of distributors

The following table sets forth the movements in the number of our Chinese mainland distributors for the periods indicated:

	Year ended December 31		
	2023	2024	2025
As of the beginning of the period	**54**	**88**	**71**
Addition of new distributors	51	19	17
Number of distributors terminated during the period	(17)	(36)	(22)
Net increase/(decrease) in distributors	34	(17)	(5)
As of the end of the period	**88**	**71**	**66**

The following table sets forth the movements in the number of our overseas distributors for the periods indicated:

	Year ended December 31		
	2023	2024	2025
As of the beginning of the period	**35**	**53**	**109**
Addition of new distributors	40	82	70
Number of distributors terminated during the period	(22)	(26)	(56)
Net increase in distributors	18	56	14
As of the end of the period	**53**	**109**	**123**

During the Track Record Period, the movements in the number of our distributors in the Chinese mainland were primarily driven by the performance-based adjustments to our distribution network structure. To maintain channel efficiency, we terminated collaborations with distributors whose performance did not meet our requirements and engaged new partners with suitable capabilities. Specifically, we implemented internal consolidation of our distributors, which involved mergers or channel integration within the same regions and resulted in the termination of duplicative distributor relationships with us. Notwithstanding these adjustments, in line with the intensified competition and the resulting contraction of our market share in the Chinese mainland market during the Track Record Period, the total number of our Chinese mainland distributors exhibited a general downward trend.

Regarding our overseas markets, the movements in the number of distributors reflect our ongoing global expansion strategy coupled with a performance-based selection mechanism. To support our entry into and development of overseas markets, we initially engaged a substantial number of new distributors across various regions. As the expansion progressed, we subsequently terminated relationships with distributors who failed to meet our performance requirements. Our adjustment of distributors during the Track Record Period was intended to retain partners with suitable capabilities, thereby enhancing the long-term robustness and efficiency of our global distribution network.

Below is a summary of the salient terms of our standard distribution agreements (including consignment agreements) with third-party distributors:

Term	Generally one year, with an option to renew upon mutual agreement prior to the expiration of the term.

Designated distribution area	Distributors are authorized to sell our products only within their specific designated geographic regions or specified online/offline channels. Cross-regional selling (channel conflict) is strictly prohibited.
Sales targets and rebates	In some cases, we set quarterly and annual sales targets for our distributors. We offer tiered rebates based on the fulfillment rate of these targets. Rebates can only be used to offset a specified percentage of the purchase amount in subsequent orders and cannot be redeemed for cash.
Pricing policy	In some cases, distributors must strictly adhere to our unified pricing system and recommended retail prices. Unauthorized price dumping or disguised price reductions are strictly prohibited.
Payment and credit terms	Distributors are generally required to make full payment before the delivery of products, unless specific settlement terms are otherwise agreed upon. In addition, distributors are required to pay a market order deposit to secure their compliance with our pricing and territorial policies. For consignment agreements, our online distributors would submit the record to us upon completion of sales, and upon our confirmation, remit payment to us.
Product returns	We do not accept any product returns or exchanges, except for defective products that fall under our standard warranty policy (typically a two-year electronic warranty for the main device).
Transfer of risk	For standard distribution agreements, the distributor generally bears the risk of loss or damage of the product after acceptance. For consignment agreements, we generally retain ownership of the products and bear the risks until products are sold to end-customers.
Termination	We are entitled to unilaterally terminate the agreement, deduct the deposit, and revoke the authorization if the distributor fails to meet the minimum quarterly sales target, sells competing products, severely violates our pricing or market order policies, or commits other material breaches.

Others

Our others channel primarily features strategic cooperation with automobile manufacturers, under which we provide customized Third-Party Brand Products, including dash cameras, smart car screen and their PCBA tailored to the technical specifications and configuration requirements of their vehicle models. This channel follows a professional B2B cooperation model, with product development, production and delivery all carried out in strict accordance with the customized demands and quality standards of automobile manufacturer partners, and the cooperation process adheres to the industry's standardized supply and certification norms for supporting products.

PRICING

We determine product pricing through a market- and competition-oriented approach, considering prevailing consumer demand, competitive landscape, brand positioning, product features and perceived value in the target market segments. While cost structures, including raw material costs, manufacturing overheads and R&D expenses, form an important reference point, our final pricing decisions are primarily driven by market conditions rather than a strict cost-plus methodology.

New product launches or premium models incorporating advanced technologies, such as end-side large AI models, enhanced ADAS or DMS functions or multi-device πLink wireless networking, may be positioned at or slightly above the upper end of this range to reflect added value and innovation.

CUSTOMERS

Overview

We sell our products primarily to (i) end users who purchase our products in our self-operated stores on major domestic and overseas e-commerce platforms and our DTC channels, (ii) online and offline distributors who resell our products through their sales network or directly to end customers, and (iii) automobile manufacturers to whom we supply Third-Party Brand Products on a B2B basis.

Major customers

Revenue generated from our five largest customers for each year during the Track Record Period accounted for 38.3%, 34.9% and 34.5% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Sales to our largest customer for each year during the Track Record Period represented 13.7%, 11.9% and 9.2% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

The following table sets forth our five largest customers by revenue contribution during the Track Record Period:

Five largest customers for the year ended December 31, 2023	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer A	2016	A Beijing-based cross-border e-commerce and technology service enterprise listed on both NASDAQ and the HKEX, founded in 2007. Primarily engaged in retail, logistics services, and technology development, with key services including e-commerce platform operation, supply chain management, and digital product sales.	Dash camera	45	Bank transfer	54,198	13.7

Five largest customers for the year ended December 31, 2023	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer B	2016	A Zhejiang-based privately held global mobility and automotive technology group, founded in 1986. Primarily engaged in automotive manufacturing, new energy technologies, and smart mobility ecosystem development, with key services including the strategic management of a diverse portfolio of passenger and commercial vehicle brands, supply chain integration, and advanced technology research.	Dash camera	30	Bank acceptance drafts	40,496	10.3
Customer C	2016	A Shenzhen-based private technology company established in 2016. Primarily engaged in the R&D and sales of IoT devices and intelligent transportation products, with major products including vehicle electronics, smart imaging devices, and related software solutions.	Dash camera	N/A	Bank transfer	28,662	7.3
Customer D	2022	A Shenzhen-based private electronics supplier established in 2022. Primarily engaged in the R&D, sales, and trading of smart hardware and vehicle electronic accessories, focusing on consumer-grade intelligent vehicle terminals and peripheral equipment.	Dash camera	N/A	Bank transfer	14,025	3.6
Customer E	2018	A Hong Kong-based private trading and electronics distribution company established in 2018. Primarily engaged in cross-border trade, wholesale, and distribution of various electronic products, vehicle imaging devices, and related accessories across multiple overseas markets.	Dash camera	N/A	Bank transfer	13,539	3.4
Total						**150,920**	**38.3**

Five largest customers for the year ended December 31, 2024	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer A	2016	A Beijing-based cross-border e-commerce and technology service enterprise listed on both NASDAQ and the HKEX, founded in 2007. Primarily engaged in retail, logistics services, and technology development, with key services including e-commerce platform operation, supply chain management, and digital product sales.	Dash camera	45	Bank transfer	41,792	11.9
Customer B	2016	A Zhejiang-based privately held global mobility and automotive technology group, founded in 1986. Primarily engaged in automotive manufacturing, new energy technologies, and smart mobility ecosystem development, with key services including the strategic management of a diverse portfolio of passenger and commercial vehicle brands, supply chain integration, and advanced technology research.	Dash camera	30	Bank acceptance drafts	40,753	11.5
Customer F	2024	A Philippines-based private retailer and trader established in 2024. Primarily engaged in the sale and distribution of household appliances, vehicle electronics, and consumer electronics, with major business involving e-commerce retail and offline distribution.	Dash camera	N/A	Bank transfer	14,305	4.1
Customer D	2022	A Shenzhen-based private electronics supplier established in 2022. Primarily engaged in the R&D, sales, and trading of smart hardware and vehicle electronic accessories, focusing on consumer-grade intelligent vehicle terminals and peripheral equipment.	Dash camera	N/A	Bank transfer	13,410	3.8

Five largest customers for the year ended December 31, 2024	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer E	2018	A Hong Kong-based private trading and electronics distribution company established in 2018. Primarily engaged in cross-border trade, wholesale, and distribution of various electronic products, vehicle imaging devices, and related accessories across multiple overseas markets.	Dash camera	N/A	Bank transfer	12,742	3.6
Total						**123,002**	**34.9**

Five largest customers for the year ended December 31, 2025	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer A	2016	A Beijing-based cross-border e-commerce and technology service enterprise listed on both NASDAQ and the HKEX, founded in 2007. Primarily engaged in retail, logistics services, and technology development, with key services including e-commerce platform operation, supply chain management, and digital product sales.	Dash camera	45	Bank transfer	43,636	9.2

Five largest customers for the year ended December 31, 2025	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer B	2016	A Zhejiang-based privately held global mobility and automotive technology group, founded in 1986. Primarily engaged in automotive manufacturing, new energy technologies, and smart mobility ecosystem development, with key services including the strategic management of a diverse portfolio of passenger and commercial vehicle brands, supply chain integration, and advanced technology research.	Dash camera	30	Bank acceptance drafts	37,136	7.8
Customer G	2023	A Saudi Arabia-based private communications and electronics trading company. Primarily engaged in the wholesale and distribution of telecommunication devices, consumer electronics, and related parts, serving as a key provider of intelligent transportation and communication equipment in the Middle East.	Dash camera	N/A	Bank transfer	34,441	7.2
Customer F	2024	A Philippines-based private retailer and trader established in 2024. Primarily engaged in the sale and distribution of household appliances, vehicle electronics, and consumer electronics, with major business involving e-commerce retail and offline distribution.	Dash camera	N/A	Bank transfer	28,955	6.1

Five largest customers for the year ended December 31, 2025	Year of commencement of business relationship	Company background	Major products/ services provided	Credit terms	Payment method	Transaction amount	Percentage of total revenue
				days		*RMB'000*	*%*
Customer H	2023	A Malaysia-based private electronics and automotive accessories distribution company. Primarily engaged in the trading and distribution of electronics, vehicle imaging devices, and automotive peripheral products, providing supply chain solutions for the retail markets in Malaysia and Southeast Asia.	Dash camera	N/A	Bank transfer	19,723	4.2
Total						**163,891**	**34.5**

During the Track Record Period, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest customers for each year during the Track Record Period. All of our five largest customers for each year during the Track Record Period were Independent Third Parties.

Customer service and technical support

We are committed to delivering high-quality customer service through our dedicated customer service specialists and product support teams. We provide assistance to users across the entire product lifecycle, including pre-sales inquiries, product setup guidance, usage support, software updates and troubleshooting, to ensure a smooth and reliable user experience.

We offer multi-channel customer support via our DDPAI App, official website, email, customer service hotline (where available), and social media platforms. We also maintain localized customer service arrangements in major overseas markets, including cooperation with third-party service centers and platform-based after-sales mechanisms for e-commerce channels. Our internal service system tracks user inquiries and resolutions to ensure timely responses and continuous improvement.

Our customer service representatives receive training on product knowledge on an *ad hoc* basis, user communication and issue-handling procedures to maintain consistent service quality. We regard high-quality after-sales support as an important part of the user experience and a key factor in strengthening our brand reputation.

Warranty and after-sales services

We regard high-quality after-sales support as an important part of the user experience and a key factor in maintaining customer satisfaction. Our after-sales services cover product inquiries, usage support, diagnostics, repair, and the return or replacement of products with manufacturing defects. In the Chinese mainland, we provide after-sales services directly through our customer service system and designated service centers. In our major overseas markets, we maintain localized after-sales arrangements, including cooperation with third-party service centers to provide timely repair or replacement services. In certain international markets, our distribution partners are responsible for after-sales services under our distribution agreements and are required to meet our service standards.

Under our standard terms of sale and in line with industry practice for consumer electronics, we typically offer a limited warranty ranging from one to three years, depending on different sales channels. The warranty generally covers repair or replacement of products with manufacturing defects under normal use and in accordance with our specifications.

Product return

We accept returns of our products in accordance with applicable consumer protection laws, e-commerce platform policies and contractual terms with customers. Returned products are processed by our after-sales team and are subject to inspection upon receipt to determine the appropriate handling method.

For products confirmed to have manufacturing defects, we conduct re-inspection and root-cause analysis through our quality and R&D teams. Depending on the nature of the defect, the products may be repaired, reworked or scrapped, and we implement corresponding corrective measures to prevent recurrence.

For products returned without any identified quality issues, we carry out re-inspection based on new product standards. Where necessary, such products are and re-packaged to the same standards as new products before being returned to finished goods inventory for resale.

During the Track Record Period, we did not experience any product returns, recalls or related disputes that had a material and adverse impact on our business, financial condition or results of operations.

Third-party payment arrangements

Background and magnitude

During the Track Record Period, certain of our customers (the "**Relevant Customer(s)**") settled part of their payments with us through bank transfers made by third-party payors (the "**Third-Party Payor(s),**" and such arrangement(s), the "**Third-Party Payment Arrangements**"). These arrangements were primarily limited to circumstances where: (i) payments were made by the legal representatives, affiliates, of part of our overseas distributors or corporate customers; and (ii) payments were made by external fund providers or financial institutions on behalf of overseas customers to accommodate established industry practices. We believe these arrangements are consistent with standard business practices in the relevant jurisdictions.

The number of Relevant Customers was seven, 10 and 11 in 2023, 2024 and 2025, respectively. The following table sets forth the aggregate amount of Third Party Payments settlement during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Total revenue *(RMB'000)*	394,463	352,393	475,604
Third Party Payment settlement amount *(RMB'000)*	31,585	40,823	36,776
Percentage of total revenue *(%)*	8.0	11.6	7.7

Commercial rationale

To the best knowledge of our Directors, the Relevant Customers utilized Third-Party Payment Arrangements for the following commercial reasons: (i) overseas customers in certain jurisdictions are subject to specific local foreign exchange administrative procedures or have limited access to USD/RMB, leading them to use Third-Party Payors with offshore accounts to facilitate timely settlement; (ii) corporate groups often utilize a single designated entity or the bank account of an actual controller to manage group-wide funds and settle payables for multiple subsidiaries; and (iii) for certain small-scale distributors or DTC consumers, settling through third-party payment platforms is a standard and preferred industry practice to ensure payment security and speed.

Legal compliance and risk assessment

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, (i) our transactions underlying Third-Party Payment Arrangements possess genuine commercial substance, supported by valid purchase orders, shipping documents, and invoices; (ii) we have not been subject to any inquiry, investigation or administrative penalties by the competent government authorities in relation to PRC laws or other relevant laws as a result of our acceptance of Third Party Payment Arrangements; and (iii) we had not encountered any disputes or refund requests from Third-Party Payors or Relevant Customers.

As advised by our PRC Legal Adviser, in light of the foregoing, our acceptance of Third Party Payment Arrangements does not contravene any prohibitive provisions under the Civil Code of the PRC.

As advised by our legal advisers in the major overseas jurisdictions involving third-party payment arrangements, comprising Malaysia, Saudi Arabia and Philippine: (i) compliance with laws: our acceptance of Third Party Payment Arrangements does not contravene any prohibitive provisions under the laws of the jurisdictions where the payments originated. We have not been subject to any inquiry, investigation or administrative penalties by the competent government authorities in relation to relevant laws as a result of our acceptance of Third Party Payment Arrangements; (ii) money laundering risks: the risk of these arrangements being deemed as money laundering is remote. Our transactions possess genuine commercial substance, supported by valid purchase orders, shipping documents, and invoices; and (iii) return of payment risks: during the Track Record Period and up to the Latest Practicable Date, we had not encountered any disputes or refund requests from Third-Party Payors or Relevant Customers. The risk of being required to return such payments is considered remote.

Views of industry expert

According to Frost & Sullivan, it is not uncommon in the smart imaging device industry for entities to settle payments through Third-Party Payors. This is primarily because: (i) using the personal bank accounts of a sole proprietor, a local small-to-mid-sized company's operator, his/her spouse, or the legal representative provides greater cash flow and settlement flexibility. This is particularly beneficial for small and mid-sized regional distributors with limited financial resources, especially when full advance payments and market order deposits are generally required prior to product dispatch; (ii) for certain overseas distributors, utilizing third-party financial institutions or affiliated group entities to settle payments facilitates cross-border transactions and mitigates local foreign exchange administrative burdens; and (iii) the administrative process of opening and maintaining multiple corporate bank accounts for cross-region or cross-border settlements could be cumbersome and time-consuming for smaller distributors.

Independence and internal control measures

Our Directors have confirmed that none of the third-party payors designated by the Relevant Customers during the Track Record Period is a connected person of our Group, and such designated third party payors are independent from any of our Group's Directors, senior management and Shareholders.

To mitigate potential risks, we have implemented the following internal control measures: (i) we have ceased accepting all Third-Party Payment Arrangements since April 2026; and (ii) we have circulated internal notices to our sales and finance teams prohibiting unauthorized third-party payments for all new orders.

Cessation and business sustainability

We have ceased all Third-Party Payment Arrangements since April 2026, and we do not expect to have such Third-Party Payment Arrangements going forward. Our Directors confirm that the cessation of Third-Party Payment Arrangements has not resulted in, and is not expected to result in any material loss of customers or significant impact on our revenue. Subsequent to the cessation, the majority of Relevant Customers have transitioned to direct payment methods.

SUPPLIERS

Overview

We source raw materials for our products primarily from a diversified group of domestic and international suppliers. Our procurement strategy focuses on ensuring stable supply, competitive pricing, and high quality to support our production needs and maintain product reliability.

The principal raw materials we procure include SoC, CIS, lenses, memory chips such as eMMC, DDR, PCB, Wi-Fi/4G modules, casings, wiring, packaging materials and other supporting electronic and structural components.

We maintain a qualified supplier list and adopt dual-sourcing strategies for critical raw materials, such as SoC, CIS, lenses, eMMC and DDR, to mitigate supply risks and price volatility. During the Track Record Period, we did not experience any material supply disruptions that adversely affected our operations.

Major suppliers

For the years ended December 31, 2023 and 2024 and 2025, our purchases from our largest supplier for each year during the Track Record Period accounted for 8.2%, 10.4% and 10.5%, respectively, of our total purchases during the same periods, and purchases from our five largest suppliers for each year during the Track Record Period in the aggregate accounted for 22.5%, 28.6% and 33.0%, respectively, of our total purchases during the same periods. The following table sets forth our five largest suppliers for each year during the Track Record Period by purchase amount during the Track Record Period:

Five largest suppliers for the year ended December 31, 2023	Year of commencement of business relationship	Company background	Products/ services principally procured/ rendered	Credit terms	Payment method	Transaction amount	Percentage of total procurement
				days		*RMB'000*	*%*
Supplier A	2021	A Shenzhen-based private electronics supplier established in 1979. Primarily engaged in the distribution and procurement of electronic components, focusing on integrated supply chain services for the electronic information industry.	Integrated circuit (IC), memory cards	75	Bank transfer	19,516	8.2
Supplier B	2017	A Hong Kong-based private electronics supplier established in 2005. Primarily engaged in the distribution of semiconductor components, focusing on electronic component procurement and technical support for various industrial sectors.	IC	30	Bank transfer	9,605	4.0
Supplier C	2014	A Shenzhen-based private wire and cable manufacturer established in 2006. Primarily engaged in the R&D and production of wires and cables, focusing on electronic wires, power cables, and data transmission lines.	Wires	90	Bank transfer	8,485	3.6
Supplier D	2021	A Shenzhen-based private electronics supplier established in 2000. Primarily engaged in the distribution and solution provision of electronic components, focusing on consumer electronics, the Internet of Things, and automotive electronics.	IC	30	Bank transfer	8,280	3.5

Five largest suppliers for the year ended December 31, 2023	Year of commencement of business relationship	Company background	Products/ services principally procured/ rendered	Credit terms	Payment method	Transaction amount	Percentage of total procurement
				days		*RMB'000*	*%*
Supplier E	2019	A Xiamen-based private electronics supplier established in 2000. Primarily engaged in the distribution of electronic components, focusing on supply chain management services for electronic equipment producers.	IC, resistors, capacitors, and inductors	120	Bank transfer	7,629	3.2
Total						**53,515**	**22.5**

Five largest suppliers for the year ended December 31, 2024	Year of commencement of business relationship	Company background	Products/ services principally procured/ rendered	Credit terms	Payment method	Transaction amount	Percentage of total procurement
				days		*RMB'000*	*%*
Supplier A	2021	A Shenzhen-based private electronics supplier established in 1979. Primarily engaged in the distribution and procurement of electronic components, focusing on integrated supply chain services for the electronic information industry.	IC, memory cards	75	Bank transfer	19,884	10.4
Supplier E	2019	A Xiamen-based private electronics supplier established in 2000. Primarily engaged in the distribution of electronic components, focusing on supply chain management services for electronic equipment producers.	IC, resistors, capacitors, and inductors	120	Bank transfer	14,172	7.4

Five largest suppliers for the year ended December 31, 2024	Year of commencement of business relationship	Company background	Products/ services principally procured/ rendered	Credit terms	Payment method	Transaction amount	Percentage of total procurement
				days		*RMB'000*	*%*
Supplier C	2014	A Shenzhen-based private wire and cable manufacturer established in 2006. Primarily engaged in the R&D and production of wires and cables, focusing on electronic wires, power cables, and data transmission lines.	Wires	90	Bank transfer	8,289	4.3
Supplier F	2022	A Shenzhen-based private electronics supplier established in 2009. Primarily engaged in the distribution of electronic components, focusing on wireless communications, security monitoring, and automotive electronics.	IC	60	Bank transfer	6,506	3.4
Supplier G	2022	A Dongguan-based private optical products manufacturer established in 2015. Primarily engaged in the research, development, production, and sales of optical lenses, focusing on automotive and smart home vision solutions.	Lenses	90	Bank transfer	5,928	3.1
Total						**54,779**	**28.6**

Five largest suppliers for the year ended December 31, 2025	Year of commencement of business relationship	Company background	Products/ services principally procured/ rendered	Credit terms	Payment method	Transaction amount	Percentage of total procurement
				days		*RMB'000*	*%*
Supplier A	2021	A Shenzhen-based private electronics supplier established in 1979. Primarily engaged in the distribution and procurement of electronic components, focusing on integrated supply chain services for the electronic information industry.	IC, memory cards	75	Bank transfer	33,540	10.4
Supplier E	2019	A Xiamen-based private electronics supplier established in 2000. Primarily engaged in the distribution of electronic components, focusing on supply chain management services for electronic equipment producers.	IC, resistors, capacitors, and inductors	120	Bank transfer	23,263	7.2
Supplier H	2017	A Shenzhen-based private electronics accessory manufacturer established in 2021. Primarily engaged in the R&D, design, and production of electronic peripherals, focusing on data transmission cables and wireless communication products.	IC	75	Bank transfer	21,115	6.6
Supplier F	2022	A Shenzhen-based private electronics supplier established in 2009. Primarily engaged in the distribution of electronic components, focusing on wireless communications, security monitoring, and automotive electronics.	IC	60	Bank transfer	15,570	4.9
Supplier C	2014	A Shenzhen-based private wire and cable manufacturer established in 2006. Primarily engaged in the R&D and production of wires and cables, focusing on electronic wires, power cables, and data transmission lines.	Wires	90	Bank transfer	12,470	3.9
Total						**105,958**	**33.0**

During the Track Record Period, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest suppliers. All of our five largest suppliers for each year during the Track Record Period were Independent Third Parties.

Salient terms of supply agreements with suppliers

We typically enter into framework agreements with suppliers. Salient terms of the agreement primarily include:

Pricing and minimum purchase commitment	Specific purchase prices are determined in purchase orders through mutual negotiation based on prevailing market rates. The supply agreements usually do not stipulate a minimum purchase requirement.
Quality guarantee and returns	Suppliers must ensure that products meet our technical specifications and relevant national industrial standards. We have the right to request the replacement or return of any non-conforming batches, with all related costs borne by the supplier.
Delivery	In some cases, our suppliers are generally required to deliver the finished products to our designated locations and are responsible for the costs and insurance in associated with and before the delivery.
Termination	Either party is entitled to terminate the agreement in accordance with the terms specified in the agreement, including material breach of contract.
Credit terms and payment methods	We generally settle our purchases with suppliers on a monthly basis. Upon receipt of valid value-added tax invoices from the suppliers, we are typically granted a credit period ranging from 60 to 120 days. Payments are primarily settled through bank transfers or bank acceptance drafts, which provide us with flexibility in managing our working capital.
Term and renewal	The framework supply agreements generally have a fixed initial term of one year. To ensure the continuity and stability of our supply chain, these agreements are typically subject to automatic renewal for successive one-year terms upon expiration, provided that neither party raises any objections. If either party intends not to renew the agreement, a prior written notice is required, allowing us sufficient buffer time to secure alternative sourcing.

Intellectual property and confidentiality	Our suppliers provide an absolute warranty that the raw materials, components, and services supplied to us do not infringe upon any third-party intellectual property rights. In the event of any actual or alleged infringement, the suppliers are obligated to take remedial actions and fully indemnify our customers and us against all resulting damages, losses, and legal costs. Furthermore, suppliers are bound by strict confidentiality obligations regarding our trade secrets, product designs, and technical data, which shall survive the expiration or termination of the agreements.

Procurement

Our procurement function is centralized and operates closely with our production planning and sales forecasting processes. This ensures efficient alignment between market demand, production schedules and supply chain activities.

The procurement process generally comprises the following key steps:

- Demand forecasting, which is prepared by the sales and production planning teams based on historical sales data, current order pipeline and market trends.

- Supplier selection, for which we utilize a qualified supplier list. For critical raw materials, we perform necessary evaluations of the supplier's production qualifications and quality management systems.

- Purchase orders, which is issued in accordance with approved production and procurement plans.

- Inspections, which our incoming quality control department conducts on each batch upon receipt of materials. Inspections cover appearance, batch information, critical dimensions and key performance parameters. Depending on the extent of the non-conformity, we may opt to reject or return the items, or alternatively, direct the supplier to sort out the usable raw materials.

We hold supplier review meetings on an ad hoc basis depending on supply conditions to evaluate supply quality, delivery reliability and overall performance. Suppliers are subject to dynamic performance assessment, inclusion on a blacklist where warranted, and immediate anomaly handling procedures. Such procedures may include suspension of cooperation in the event of quality or delivery issues.

To manage supply chain risks effectively, we adopt dual-sourcing strategies for critical raw materials, enter into long-term supply contracts where appropriate, maintain strategic inventory buffers for high-risk or volatile items, and closely monitor raw material price trends, particularly for system-on-chip processors, eMMC, and DDR, which are exposed to market fluctuations.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced significant difficulties in maintaining reliable sources of supplies, and we expect to be able to maintain adequate sources of quality supplies in the future.

REGULATORY REVIEW OF CERTAIN HISTORICAL TRADING ACTIVITIES

Our Company is incorporated in our PRC and our Group has no nexus with the United States, the European Union, the United Kingdom (including its overseas territories), Australia or any other Relevant Jurisdiction that would, in and of itself, subject our Group or any of the Relevant Persons to primary sanctions jurisdiction in respect of our Group's operations. Our Group's products are non-U.S.-origin and, on the basis of the analysis performed, are treated as non-controlled items (equivalent to "EAR99" under the U.S. Export Administration Regulations), do not incorporate more than 10% U.S.-origin content by value and are not covered by any U.S.-owned intellectual property rights that would give rise to additional U.S. export control or sanctions nexus. Based on this analysis and the advice of the International Sanctions Legal Adviser (as defined below), none of our Group's products or services are subject to export controls or other restrictions under U.S., EU, UK (including its overseas territories), UN or Australian sanctions or export control regimes that are material to our Group's business.

During the Track Record Period, our Group sold its products to customers in more than 60 countries and regions. The only sales involving a comprehensively sanctioned jurisdiction were certain sales of hardware terminals and companion applications that were ultimately delivered to Iran (the "**Iran Transactions**"). Revenue attributable to the Iran Transactions amounted to approximately US$3,463.4 in 2024, representing approximately 0.001% of our Group's total consolidated revenue during the Track Record Period, and was nil for each of 2021, 2022, 2023 and 2025. Our Group has permanently ceased all sales, product deliveries and business contacts with Iran prior to January 1, 2025. Our Group has also formalized and implemented internal policies and procedures designed to prevent any of its products from being marketed, sold or delivered to Iran or any other comprehensively sanctioned jurisdiction, or any sanctioned person, organization or entity, in the future.

Our Group has confirmed, and the international sanctions legal adviser to our Company (the "**International Sanctions Legal Adviser**") has independently verified through due diligence procedures they considered appropriate, that during the Track Record Period and up to the Latest Practicable Date:

- **No SDN Counterparties:** none of our Group's counterparties in the Relevant Countries was included on the Specially Designated Nationals and Blocked Persons List ("**SDN List**") maintained by OFAC or otherwise designated or blocked under any International Sanctions regime;

- **No U.S. Person Involvement:** no U.S. persons were involved, directly or indirectly, in any aspect of our Group's activities involving the Relevant Countries (including the negotiation, approval or performance of any such transactions);

- **No Restricted Financing:** no financing or financial assistance from any U.S., EU, UK (including its overseas territories) or Australian source was received or used in connection with activities relating to the Relevant Countries;

- **No Jurisdictional Presence or Staff Nexus:** our Group has no subsidiaries, branches or affiliates, and, to the best of the Directors' knowledge after due and careful enquiry, no Directors, senior management or employees, that are U.S. persons or are located in the United States, the EU, the UK (including its overseas territories) or Australia;

- **No Prohibited Sectors or End-Uses:** none of our Group's activities involved industries, sectors or end-uses that are currently subject to specific prohibitions under applicable U.S. sanctions laws; and

- **No Sanctionable Activity:** our Group did not engage in any Primary Sanctioned Activity or Secondary Sanctionable Activity (each as defined in the Guide for New Listing Applicants) under U.S., UN, EU, UK (including its overseas territories) or Australian sanctions laws and regulations.

Our Company has engaged Mr. Stephen Peepels, Esq., a U.S. attorney-at-law, as its International Sanctions Legal Adviser to provide independent advice in connection with the **[REDACTED]**. The International Sanctions Legal Adviser provided our Group with a detailed sanctions due diligence questionnaire, which our Group completed and supplemented with transaction records, contracts and other documentation relating to our Group's international sales (including the Iran Transactions) for the period from January 1, 2021 to December 31, 2025 and up to the Latest Practicable Date. The International Sanctions Legal Adviser has also reviewed the disclosures in this document relating to International Sanctions and participated in discussions with our Group.

The International Sanctions Legal Adviser, having performed the procedures they considered necessary and based on the facts, documents and confirmations provided by our Group, has advised that our Group's historical activities during the Track Record Period, including the de minimis Iran Transactions, did not violate any applicable U.S., UN, EU, UK (including its overseas territories) or Australian International Sanctions laws or regulations that are material to our Group's business and do not otherwise implicate any material restrictions under those regimes;

- There is no apparent or material sanctions risk (whether primary or secondary) to our Group or any Relevant Persons arising out of our Group's business transactions during the Track Record Period for the purposes of the guidance in the Guide for New Listing Applicants;

- Our Group's business dealings do not violate or otherwise implicate restrictive measures adopted by the UN, the EU (including those extended to the UK and its overseas territories) or Australia in a manner that is material to our Group's business; and

- Given the scope of the **[REDACTED]** and the intended use of **[REDACTED]** (including for R&D activities to expand our Group's product portfolio and enhance its R&D capacity, to strengthen production efficiency and effectiveness, to expand its sales network and international presence, and for working capital and general corporate purposes), the participation of our Company, its subsidiaries, Directors, employees, **[REDACTED]**, shareholders, the Stock Exchange, **[REDACTED]**, **[REDACTED]**, the SFC and any other Relevant Persons in the **[REDACTED]** will not, in and of itself, implicate any applicable International Sanctions. The overall sanctions risk exposure to our Group and all such parties is assessed as very low.

Pursuant to the guidance in the Guide for New Listing Applicants issued by the Stock Exchange, as the International Sanctions Legal Adviser has confirmed that there is no apparent or material sanctions risk arising from our Group's historical activities or the **[REDACTED]**, our Group is not required to adopt any specific risk-mitigating measures or give undertakings to the Stock Exchange, nor is it required, solely by reason of such activities, to provide ongoing sanctions-specific disclosures in its annual or interim reports.

Our Group maintains a sanctions compliance policy, continues to monitor developments in International Sanctions laws and regulations on an ongoing basis, and has implemented enhanced internal controls designed to ensure future compliance. These internal controls cover, among others, counterparty due diligence, sanctions screening and internal training. The Directors confirm that our Group is, and will continue to be, in compliance with all applicable International Sanctions in all material respects. The Directors further confirm that our Group will not apply the **[REDACTED]** from the **[REDACTED]**, directly or indirectly, in any manner that would result in a violation of International Sanctions.

For a discussion of the general risks associated with changes in sanctions laws and regulations, see "Risk Factors — Risks relating to our business and industry — We are required to comply with economic sanctions and import and export controls laws and regulations that could subject us to liability and impair our ability to compete in overseas markets."

WAREHOUSE, LOGISTICS AND INVENTORY MANAGEMENT

Warehouse and logistics

We manage logistics and warehousing through a combination of in-house facilities and third-party arrangements to ensure efficient storage, timely production support and order fulfillment across domestic and overseas markets.

Our primary warehousing is integrated within our Dongguan Facility, which supports incoming raw material storage, production staging, finished goods holding, packaging and outbound shipping. We maintain dedicated finished goods warehouses with sufficient capacity and have implemented systematic, standardized management to optimize inventory allocation, turnover and traceability. For domestic sales fulfillment, we engage multiple third-party logistics providers to provide delivery across China.

For overseas markets, we utilize third-party overseas warehouses in our main markets such as the United States, Poland, France, and Saudi Arabia. As for the delivery of products, we engage third-party logistics providers to handle transportation, customs clearance and last-mile delivery. These include multiple established logistics companies, enabling global delivery to meet the demands of cross-border customers while effectively minimizing cross-border logistics costs and shortening international delivery lead times.

During the Track Record Period, our logistics and warehousing operations remained efficient with no material disruptions, delays or significant cost impacts on production, sales or financial performance. We believe our current standardized warehousing and multi-partner logistics framework is adequate for our business scale and global expansion strategy.

Inventory management

We maintain a structured inventory management system to support efficient production planning, minimize holding costs and ensure timely fulfillment of customer orders. Our inventory primarily consists of finished goods, raw materials and work in progress.

Our finished goods include dash cameras and other products. Our raw materials comprise SoC, CIS, lenses, eMMC, DDR, PCBA, and Wi-Fi/4G modules, casings, wiring, packaging materials, and other supporting electronic and structural components. Our work in progress includes semi-assembled products, in-process test units, customized processing components, prototype samples and R&D trial products.

Our inventory is managed through a dedicated warehouse management system ("**WMS**") that enables real-time online collaboration on supplier labels, part numbers and product models. This WMS supports warehouse zoning, allocation and traceability, and integrates seamlessly with our ERP system. It operates in conjunction with the MES system which is used for material requirements planning and production scheduling, and the ERP system provides end-to-end visibility from procurement through to finished goods dispatch. We have adopted a conservative inventory policy with regular monitoring of turnover rates, aging analysis and provision for slow-moving or obsolete items. Inventory levels are aligned with sales forecasts, production schedules and lead times for critical raw materials, particularly volatile items such as system-on-chip processors, CIS, lenses, eMMC, and DDR. We maintain strategic safety stock for critical components to mitigate supply chain risks while avoiding excessive build-up.

During the Track Record Period, we had no material write-downs, obsolescence provisions or inventory impairments that had a significant adverse impact on our financial position or results of operations.

QUALITY CONTROL

We have formulated a comprehensive set of quality management policies and detailed implementation procedures to ensure the high quality and safety of our products, and we have obtained the ISO9001 and IATF 16949 international quality management system certifications, two globally recognized quality management standards. In order to meet the safety norms and quality requirements of different countries and regions, we have established a stringent quality management system covering the whole links of product R&D, supply chain management and production process, and strictly implemented a full-lifecycle quality control system. This systematic and standardized quality control approach effectively preempts potential design defects and product quality risks. Thanks to the rigorous implementation of our quality control policies and procedures, we have not incurred any material product sales returns, nor faced any material product liability claims or major legal disputes arising from product safety and quality issues during the Track Record Period up to the Latest Practicable Date. Our specific quality control measures are as follows:

R&D phase quality control

We adopt product quality planning schemes to prevent the occurrence of design defects and quality risks in the product R&D stage and assign dedicated personnel to supervise and inspect the completeness of the R&D process and the quality of deliverables at each stage of the R&D project.

Supply chain quality control

We implement mandatory supplier qualification review mechanisms, select a designated panel of qualified and certified suppliers to establish long-term and stable cooperative relations, and conduct continuous performance evaluations of suppliers to ensure compliance of their product quality, pricing and delivery performance. For example, our incoming quality control department conducts random inspections of each batch of incoming materials using one or multiple methods based on the material type, covering aspects including appearance, batch information, critical dimensions and key performance parameters; any batch that fails to meet the requirements will be returned.

Production process quality control

We strictly follow the established process standards in the production process to minimize deviations from the confirmed product specifications, take timely and targeted measures to resolve any quality-related issues that may arise during production, and conduct full-process supervision and inspection over each link of the production process. For example, precision management is applied across all operational procedures, encompassing critical inspection stages such as first article inspection for SMT placement, automated optical inspection, post-soldering inspection, and single-board testing. These controls are designed to detect and address potential defects at the earliest possible point in the manufacturing flow. Upon the completion of assembly, each unit undergoes automated functional testing followed by EOL aging testing. These tests are specifically designed to verify and confirm the overall functionality and performance reliability of the finished product under simulated operating conditions.

Quality management system

We have established and implemented a quality management system to institutionalize a zero-tolerance approach toward critical quality risks. This comprehensive framework defines rigorous control measures, explicitly prohibiting acts such as compromising battery safety, illegal malware implantation, falsification of quality records, and the unauthorized changing of production lines or suppliers. To ensure the pervasive integration of this compliance culture, we mandate that all employees strictly comply with the relevant sections of the employee code of conduct.

OUR INFORMATION TECHNOLOGY INFRASTRUCTURE

We have established a stable and scalable information technology infrastructure to support our global user base. Our systems are deployed on leading cloud service platforms, enabling reliable data storage, elastic scalability and efficient processing of imaging and device-related data. We adopt a distributed deployment architecture with redundancy to enhance service availability and support business growth.

We have established a formal information security management system and rolled out targeted network and data security control measures to guard against potential security risks such as system breakdowns and confidential information leakage.

We centrally administer all network access resources and achieve secure segregation between internal and external networks through physical and logical network isolation, deployment of security hardware as well as regular audit on staff internet access logs. We have built intra-city and remote off-site disaster recovery computer rooms to implement tiered data backup policies and set forth differentiated retention terms for various types of business data. Multi-tier access restriction and audit regimes are applied to our databases to rigorously contain backend access rights; meanwhile, we have formulated end-to-end handling rules for graded security incidents and arrange periodic emergency drills.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material service disruptions, ensuring the continuous and stable operation of our core business processes.

INTELLECTUAL PROPERTY

We rely on a combination of patents, trademarks, and copyrights. As of the Latest Practicable Date, we had registered 104 patents in China, comprising 28 invention patents, 36 utility model patents and 40 appearance design patents, and had 12 invention patent applications pending. We also had registered 342 trademarks, 54 software copyrights and 10 copyrights in Chinese mainland. See "Statutory and General Information — Further information about our business — Our intellectual property rights" in Appendix VI to this document.

We rely primarily on a combination of patents, copyrights, trademarks, trade secret and unfair competition laws and contractual rights, such as confidentiality agreements, to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements and commercial agreements we enter into. In addition, we also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. However, despite measures taken to protect our intellectual property rights, third parties may nevertheless gain unauthorized access to our confidential information and trade secrets. See "Risk Factors – Risks relating to our business and industry – We may be unable to sufficiently safeguard or enforce our intellectual property rights or to prevent third parties from copying or revere engineering our products, the measures we take to defend and protect such intellectual property rights may be costly" for further details.

As of the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimer or a respondent. Our Directors confirmed that they were not aware of any material legal, arbitral or administrative proceedings of infringement of any third parties' intellectual property rights by us as of the Latest Practicable Date.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognitions for the quality of our products, intellectual properties and our R&D and innovation capabilities. Representative awards and recognitions are set forth below:

Award year	Awards/Recognitions	Issuing entities
2025	National-Level Specialized, Sophisticated, Distinctive and Innovative "Little Giant" Enterprise（國家級專精特新"小巨人"企業）	Ministry of Industry and Information Technology（工業和信息化部）
2025	High-Tech Enterprise（高新技術企業）	Bureau of Industry and Information Technology of Shenzhen Municipality; Shenzhen Municipal Bureau of Finance; Shenzhen Tax Service, State Taxation Administration（深圳市工業和信息化局、深圳市財政局、國家稅務總局深圳市稅務局）
2024	Innovative Small and Medium-sized Enterprise（創新型中小企業）	Shenzhen SME Service Bureau（深圳市中小企業服務局）
2024	Specialized, Sophisticated, Distinctive and Innovative Small and Medium-sized Enterprise（專精特新中小企業）	Shenzhen SME Service Bureau（深圳市中小企業服務局）
2024	International Design Excellence Awards	Industrial Designers Society of America
2023	Specialized, Sophisticated, Distinctive and Innovative Small and Medium-sized Enterprise（專精特新中小企業）	Shenzhen SME Service Bureau（深圳市中小企業服務局）

Award year	Awards/Recognitions	Issuing entities
2022	High-Tech Enterprise (高新技術企業)	Shenzhen Science, Technology and Innovation Commission; Shenzhen Municipal Bureau of Finance; Shenzhen Tax Service, State Taxation Administration (深圳市工業和信息化局、深圳市財政局、國家稅務總局深圳市稅務局)
2021	iF Design Award	iF International Forum Design GmbH
2020	Contemporary Good Design Award	Red Dot Organization
2018	Red Dot Certificate	Design Zentrum Nordrhein Westfalen

COMPETITION

The vehicle smart imaging device industry is highly competitive and fragmented, with numerous global and domestic markets participants competing on product performance, software capabilities, brand strength and sales channel coverage. Although overall industry concentration remains low, leading players benefit from advantages in technology accumulation, product iteration and user scale.

We hold a position among the leading companies in China and are expanding our presence overseas.

We compete with both international and domestic manufacturers, including global brands and Chinese companies. Our competitive advantages include full-chain integration from R&D to manufacturing and sales, a focus on AI-driven features, a robust patent portfolio and rapid global expansion since 2020. These strengths enhance our ability to stand out as the industry increasingly emphasizes intelligent features and device connectivity.

See "Industry Overview" for further information about the competitive landscape of vehicle smart imaging device industry.

LICENSES, APPROVALS AND PERMITS

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite material licenses, approvals and permits from relevant authorities for our operations in all material respects. We are required to renew some of such licenses, approvals and permits from time to time, and we currently do not expect any material difficulties in or legal impediment to such renewals.

The following table sets forth a list of material licenses, approvals and permits held by us as of the Latest Practicable Date:

Holder	License/approvals/permit	Issuing authority	Newest grant/ filing Date	Expiration date
DDPAI Dongguan	Registration Receipt for Pollutant Discharge from Stationary Pollution Sources (固定污染源排污登記回執)	Ministry of Ecology and Environment (生態環境部)	May 15, 2026	May 14, 2031
Our Company	Filing of Cross-border E-commerce Enterprise (跨境電子商務企業備案)	Fuzhong customs (福中海關)	December 18, 2025	December 31, 2099
Our Company	Customs Registration for Consignor or Consignee of Import and Export Goods (進出口貨物收發貨人海關備案)	Fuzhong customs (福中海關)	December 18, 2025	December 31, 2099
Our Company	Federal Communications Commission ID: 2AJFX-DZ003	Shenzhen Anbotek Compliance Laboratory Limited (深圳市安博檢測股份有限公司)	November 26, 2025	N/A
Our Company	Conformité Européenne (CE) Radio Equipment Directive Test Report No.: 1812C50533322101	Shenzhen Anbotek Compliance Laboratory Limited (深圳市安博檢測股份有限公司)	October 20, 2025	N/A
Our Company	State Radio Regulatory Commission (無線電型號核准認證)	Ministry of Industry and Information Technology (工業和信息化部)	July 4, 2025	July 4, 2030
Our Company	Network Access License for Telecommunications Equipment (電信設備進網許可證)	Ministry of Industry and Information Technology (工業和信息化部)	November 28, 2024	November 28, 2027
DDPAI Dongguan	Quality Management System Certification (質量管理體系認證)	Shanghai NQA Certification Co., Ltd. (上海恩可埃認證有限公司)	October 6, 2024	October 5, 2027
Our Company	Quality Management System Certification (質量管理體系認證)	Shenzhen Huakai Inspection and Certification Co., Ltd. (深圳華凱檢測認證有限公司)	June 28, 2024	June 27, 2027

EMPLOYEES

As of December 31, 2025, we had 521 full-time employees, all of whom were based in Chinese mainland. The following table sets forth a breakdown of our full-time employees by function as of the date indicated:

	As of December 31, 2025	
	Number of employees	% of total employees
Production	215	41.2
R&D technical personnel	102	19.6
Administrative	28	5.4
Sales and marketing	163	31.3
Finance	13	2.5
Total	**521**	**100.0**

We believe that our employees are valuable assets that contribute to our success. We recruit our employees based on a number of factors such as their working experience, their educational background, and our vacancy needs, using channels such as online platforms, campus hiring, employee referrals and headhunting for key technical roles. We generally pay our employees a fixed salary and other allowances based on their respective positions and responsibilities.

We entered into individual employment contracts with our full-time employees covering matters such as wages, employee benefits, employment scope, and grounds for termination. In addition, we maintain employee handbooks covering conduct, confidentiality, anti-fraud measures and compliance obligations. New employees sign confidentiality agreements upon joining.

We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major labor disputes, work stoppages, or labor strikes or any work safety-related incidents that led to disruptions in our Group's operations. As of the Latest Practicable Date, our employees did not form any labor union.

Social insurance and housing provident fund contributions

Pursuant to applicable laws and regulations in the PRC, we are required to make contributions to the social insurance and housing provident fund for the benefit of our employees in China. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full, primarily because certain employees were unwilling, or not willing to do so in full, to make social insurance and/or housing provident fund contributions as it requires additional contributions from them.

In respect of the legal consequences and the potential penalties for the failure to make full contributions to social insurance and housing provident fund, as advised by our PRC Legal Adviser, pursuant to applicable PRC laws and regulations, the relevant competent authorities may (i) order us to pay the outstanding social insurance contributions within a certain period of time and impose an overdue fee amounting to 0.05% of the outstanding amount per day, failing to comply with which the relevant competent authorities may further impose a fine amounting to no less than one time but less than three times the outstanding amount; and (ii) order us to pay the outstanding housing provident fund contributions within a certain period of time, failure to comply with which the relevant competent authorities may apply to the people's court for enforcement. In addition, according to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in 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》) (the "**New Judicial Interpretation**"), which took effect on September 1, 2025, if an employer and an employee agree or the employee undertakes that no social insurance contributions shall be paid, the people's court shall determine that such agreement or undertaking is invalid. If an employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee requests to terminate the labor contract and demands economic compensation from the employer in accordance with the Labor Contract Law of the PRC, the people's court shall support such request.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date: (i) we have confirmed that we had not received any notification from the relevant competent authorities requiring us to make up the shortfalls in social insurance and housing provident fund contributions, nor did we receive any litigation documents or become subject to any court enforcement in connection with the payment of social insurance and housing provident fund contributions; (ii) based on the credit reports issued by the relevant competent authorities and our own review, we have confirmed that no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident fund contributions as of the Latest Practicable Date; (iii) based on the consultation with the relevant competent authorities, unless there are employee complaints, they typically do not proactively conduct inspections or require companies to make retroactive contributions to cover the shortfalls in social insurance and housing provident fund contributions; (iv) we were not aware of any material complaint, litigation or arbitration brought by any of our employees regarding our social insurance and housing provident fund policy; (v) pursuant to the Notice on Implementing the Comprehensive Plan for Lowering Social Insurance Premium Rates (《關於貫徹落實〈降低社會保險費率綜合方案〉的通知》) promulgated by the Ministry of Human Resources and Social Security, the Ministry of Finance, the State Taxation Administration and the National Healthcare Security Administration on April 28, 2019, administrative authorities are prohibited from conducting centralized collection of historical outstanding social insurance contributions from enterprises; and (vi) the New Judicial Interpretation does not expand the scope of penalties, nor does it repeal the relevant provisions of the current laws and regulations. We undertake that if we receive a notice from relevant competent authorities requiring us to rectify, pay or make up social insurance and housing provident fund contributions within a specified period, we will promptly comply with the requirements of such notice.

Based on the foregoing, our PRC Legal Adviser is of the view that, provided there are no material changes to the applicable policies, laws, and regulations relating to social insurance and housing provident funds or to their enforcement by the local authorities, and there are no employee complaints, the likelihood that we would be required by the competent authorities to make up the historical shortfalls of social insurance and housing provident fund contributions, or be subject to material administrative penalties for our failure to make full social insurance and housing provident fund contributions during the Track Record Period, is remote.

We intend to make social insurance and housing provident fund contributions in accordance with the applicable laws and regulations progressively going forward. To further ensure our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken internal control measures, which primarily include: (i) we have formulated and implemented policies specifying that social insurance and housing fund contributions should be made in accordance with relevant regulations; (ii) we will initiate the first-phase adjustments of the contribution bases for social insurance and housing provident fund contributions for senior management and newly hired or transferred employees, and will, in subsequent phases, carry out the corresponding adjustments for mid-level management and all other employees; (iii) we are enhancing our internal approval and review procedures relating to social insurance and housing provident fund contributions to strengthen oversight and ensure compliance; and (iv) we maintain ongoing communication with employees to improve their understanding of and cooperation with statutory contribution requirements. Our internal control consultant noted that no material internal control deficiencies were identified from our enhanced internal control measures since implementation.

INSURANCE

We maintain insurance policies that are required under laws and regulations as well as based on our assessment of our operational needs and industry practice. We are required by relevant laws and regulations in China to maintain employment injury insurance, which covered, among other things, work injuries, accidents or incidents which gave rise to employees' occupational health diseases. We also make contributions to other types of social insurance for our employees in accordance with the relevant laws and regulations of China.

We have elected not to maintain certain types of insurances such as business interruption insurance, any insurance for our information technology infrastructure and systems, or any insurance for our leased properties, at the current stage. Our Directors consider our existing insurance coverage to be customary for business of our size and type and in line with the standard commercial practice in the jurisdictions where we have operations. During the Track Record Period, we did not submit any material insurance claims, nor did we experience any business interruptions that had a material adverse effect on our business or financial position.

PROPERTIES

As of the Latest Practicable Date, we did not own any properties, and leased 3 properties with an aggregate gross floor area of approximately 11,992.5 square meters in Guilin, Shenzhen and Dongguan, the PRC. These leased properties were mainly used for our operations, including office, R&D, and production activities.

We believe our current leased properties are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration. During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulty in renewing the leases for our leased properties. Our Directors confirm that none of the properties stated above are individually material to our Group in terms of rental expenses.

As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report.

DATA SECURITY AND PROTECTION

Our business involves the collection, storage, use, processing, transmission and other handling of personal information through our DDPAI App and related products, such as dash cameras with connectivity features. We collect personal information primarily from end-users who consent to our privacy policy when using the DDPAI App. We process this data to provide core functions such as video cloud storage, sharing of recorded video footage, and customer support.

In recent years, data privacy and cybersecurity have become critical corporate governance priorities for companies globally. In particular, PRC legislative and governmental authorities have promulgated from time to time new laws and regulations concerning cybersecurity, data security, and privacy compliance. Consequently, our practices regarding the collection, processing, and transmission of various types of data may be subject to more stringent regulatory and administrative scrutiny. We have established a comprehensive data compliance system comprising organizational structures and internal policies, including but not limited to the Cybersecurity Management System (《網絡安全管理制度》), the Management Regulations for Data Backup of the Company's Core Systems (《公司核心系統數據備份管理規定》), and the Data Backup and Recovery Management System (《數據備份與恢復管理制度》).

During the Track Record Period, we did not experience any material data breaches, leakages, or cybersecurity incidents that resulted in unauthorized access to personal data. As of the Latest Practicable Date, we were not subject to any ongoing investigations, fines, claims, or material non-compliance with applicable data protection laws and regulations, and we have not been subject to any litigation, arbitration, or material administrative penalties related to any network security, data compliance or personal information protection issues.

Our PRC Legal Adviser was of the view that, during the Track Record Period and up to the Latest Practicable Date, our operations in network security, data compliance and personal information protection had complied with the currently effective laws and regulations of the PRC relating to cybersecurity, data security and personal information protection in all material aspects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to being a responsible corporate citizen by complying with applicable laws, regulations and recognized market practices while fully integrating environmental, social and governance ("**ESG**") considerations into our daily operations. We have established an ESG governance framework led by our Board of Directors (the "**Board**") with the objective of driving long-term sustainable development.

Governance

We have established a three-tier ESG management structure, comprising the Board, ESG Working Group, and ESG Execution Team. The Board, as the highest decision-making and governance body for ESG-related matters, is responsible for leading and assuming ultimate accountability for our ESG governance. It supervises and reviews our ESG-related development strategies, objectives, plans and other matters that may have a significant impact. The ESG Working Group, consisting of members from our senior management, serves as the executive body responsible for ESG management. Its main duties include identifying and managing ESG-related risks and opportunities that may have a material impact on the business; and evaluating our overall ESG performance, monitoring the progress, organizing training, and proposing corresponding recommendations. The ESG Execution Team operates under the ESG Working Group as the implementation body for ESG initiatives. It is primarily responsible for promoting the execution of ESG topics; and regularly collecting, consolidating and reporting on the performance and case studies managed by respective responsible departments.

Environment

We actively implement the concept of sustainable development, integrating ecological and environmental protection requirements into our development. We ensure that environmental impacts are minimized throughout our entire production and operation process.

Greenhouse Gas (GHG) Emissions During the Track Record Period, our GHG emissions primarily originated from Scope 1 direct emissions generated from the vehicles we own and Scope 2 indirect GHG emissions associated with our consumption of electricity. Our Scope 3 GHG emissions were mainly associated with business trips. The following table sets forth our GHG emissions for the periods indicated:

		Year ended December 31		
Greenhouse gas (GHG) Emissions	**Unit**	**2023**	**2024**	**2025**
Scope 1: Direct GHG Emissions[1]	tCO_2e	3.29	3.29	3.29
Scope 2: Indirect GHG Emissions[2]	tCO_2e	966.15	642.19	734.58
Scope 3: Other Indirect GHG Emissions[3]	tCO_2e	32.90	30.02	37.34
Total GHG Emissions	tCO_2e	1,002.34	675.50	775.21
Total GHG Emission Intensity	tCO_2e /RMB' 000 in revenue	0.0025	0.0019	0.0016

Notes:

1. Scope 1 emission factors are sourced from the Technical Guidelines for the Compilation of Integrated Emission Inventories of Air Pollutants and Greenhouse Gases (Trial).

2. Scope 2 emission factors are sourced from the National Greenhouse Gas Emission Factor Database.

3. Scope 3 emissions are accounted for under Category 6 (Business Travel), with the relevant calculations derived from Travel Impact Model.

Energy Consumption

To improve our energy utilization efficiency and reduce energy consumption, we have implemented several measures, which primarily include the following: air conditioning operating management: air conditioning is activated and deactivated based on seasonal temperature changes; new energy vehicles: we purchased new energy vehicles in 2024.

The following table sets forth our energy consumption for the periods indicated:

		Year ended December 31		
Energy Consumption	**Unit**	**2023**	**2024**	**2025**
Gasoline[1]	MWh	8.99	8.99	8.99
Electricity	MWh	1,820.86	1,210.31	1,384.43
Total Energy Consumption	MWh	1,829.86	1,219.30	1,393.42
Total Energy Consumption Intensity	MWh /RMB' 000 in revenue	0.0046	0.0035	0.0029

Notes:

1. The total mileage of our vehicle is estimated based on the Vehicle-Kilometers Traveled provided in Technical Guidelines for the Compilation of Air Pollutant Emission Inventories for Road Motor Vehicles (Trial).

Waste Management

Our operations produce non-hazardous waste. We have implemented waste management measures to standardize the collection and disposal of waste generated during our production and business operations to reduce environmental pollution, ensure production safety and comply with national environmental protection regulations. Non-hazardous waste from our Shenzhen Facility is recycled and sold monthly.

The following table sets forth the amount of non-hazardous waste that we generated for the periods indicated:

		Year ended December 31		
Non-Hazardous Waste	**Unit**	**2023**	**2024**	**2025**
Non-Hazardous Waste[1]	kg	380.79	430.83	442.85
Total Non-Hazardous Waste Intensity	kg/RMB'000 in revenue	0.0010	0.0012	0.0009

Notes:

1. The non-hazardous waste only cover the paper usage from Shenzhen office.

Water Consumption

Municipal water supply is the primary source of our water supply. Our water consumption increases during the Track Record Period, mainly due to the growth of our business. However, water consumption intensity (measured as water consumption per unit of revenue) remains relatively stable. The following table sets forth our water consumption for the periods indicated:

Water Consumption	Unit	Year ended December 31 2023	2024	2025
Municipal Water	tonnes	2,430.12	3,757.54	5,042.13
Office Drinking Water	tonnes	1.90	1.58	1.51
Total Water Consumption	tonnes	2,432.02	3,759.12	5,043.64
Total Water Consumption Intensity	tonnes/RMB' 000 in revenue	0.0062	0.0107	0.0106

Environmental Targets

To better control our energy consumption and monitor our emission, we have set the following quantitative targets based on our energy consumption and GHG emission in 2023. We will also establish more comprehensive internal measures after the **[REDACTED]** with the assistance of external ESG consultants.

- Achieve a 5% reduction in total greenhouse gas GHG emissions intensity by 2030, using 2023 as the baseline year.

- Achieve a 15% reduction in electricity consumption intensity by 2030, using 2023 as the baseline year.

Climate Change Risks and Opportunities

We recognize that climate-related issues pose varying degrees of threats to our operations while simultaneously presenting new opportunities. The climate-related risks that we have identified can be categorized into two primary types: physical risks and transition risks. Physical risk refers to the risks related to the physical impacts of climate change, including acute risks and chronic risks. In terms of acute risks, our operations are confronted with risks brought about by extreme weather events such as typhoons, heavy rain and floods. These accidents have a particularly severe impact on facilities and may lead to power outages and work stoppages. In terms of chronic risks, we are confronted with the long-term risk of climate change. The continuous high temperatures caused by global warming may increase the energy consumption of our cooling equipment, thereby raising operating costs. Transition risk refers to medium and long-term financial risk related to the shift towards a lower-carbon economy, for example, changes in climate-related policies and regulations, technological changes or changes in market sentiment. If we fail to meet the market's demand for high-efficiency and low-carbon products in a timely manner, it may lead to customer loss and a decline in operating performance. For example, if we fail to provide low-carbon markets, it may affect our sales on E-commerce platforms such as Amazon since it offers incentivized traffic for low-carbon products.

We also recognize that climate change may create opportunities for our business operations and financial performance when we endeavor to mitigate and adapt to it. Specifically, these opportunities cover these dimensions: resource efficiency, product and service innovation and market expansion. To seize such opportunities, we develop low-power products that support sustainable applications, while also meeting the low-power requirements of in-vehicle scenarios. Through technological innovation, as an automotive vision company, we can support the transition to a low-carbon economy, strengthen market competitiveness, and create new sources of revenue.

Social

Employee Rights and Welfare

We consider our high-caliber talent pool to be a primary source of our competitive advantage. We adhere to all applicable labor laws and regulations in China in all material respects, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Implementing Regulations of the Labor Contract Law. We have established "Recruitment Management Regulations", "Internship Management Regulations", and "Labor Dispatch Cooperation Management Regulations." We strictly prohibit the use of child labor and any form of forced labor, ensure that all employment is voluntary and is committed to safeguarding the lawful rights and interests of our employees.

Training and Development

We place strong emphasis on the continuous training and professional development of our employees. We have established training plans and specified the professional requirements for all positions in Qualification Standards for Each Position.

Occupational Health and Safety

During the Track Record Period and up to the Latest Practicable Date, we have complied in all material respects with all applicable labor, employment and occupational health and safety laws and regulations in China, and no material work-related injuries, safety incidents or corresponding penalties had occurred.

Supply Chain Management

We are fully aware of the importance of supply chain management to our long-term development. As such, we actively establish and optimize our supply chain management system to enhance procurement efficiency and quality, effectively reduce procurement costs, and ensure smooth procurement processes.

We ensure that the procured products comply with our Company's quality, environmental, occupational health and safety management, and hazardous substance free requirements. We implement environmental control over all procurement of production materials, outsourcing processing, and services provided by contractors. We conduct regular evaluations of qualified suppliers to ensure that they can consistently and stably supply materials of high quality and reasonable prices over the long term. If the quality performance is poor within a certain period, we may require rectification of the supplier within a specified time, suspend its supply, or revoke the qualification of the supplier.

Business Ethics

We strictly prohibit and actively combat all forms of corruption, bribery, extortion, fraud and money laundering. We adhere to relevant laws and regulations, including the Anti-Unfair Competition Law of the PRC and Anti-Money Laundering Law of the PRC and maintain a zero-tolerance policy towards corruption and fraud. During the Track Record Period and up to the Latest Practicable Date, we have not identified any material incidents of, nor have we been involved in any material legal proceedings concerning fraud, bribery or corruption.

TRANSFER PRICING ANALYSIS

During the Track Record Period, our Group conducted certain intra-group cross-border transactions. Specifically, our Company, sold finished products to DDPAI Global, our Hong Kong-based subsidiary, for onward sales to third-party overseas customers in their respective markets. In 2023, 2024 and 2025, the amount for these intra-group cross-border transactions was approximately nil, RMB1.2 million and RMB12.3 million, respectively.

To ensure compliance with the applicable transfer pricing tax regulations in the jurisdictions where we operate, we have engaged an independent transfer pricing consultant (the "**Transfer Pricing Consultant**"), to conduct a transfer pricing review on the aforementioned intra-group cross-border transactions. The Transfer Pricing Consultant performed a functional and risk analysis on the relevant entities. According to the analysis, our Company acts as the principal entity in the transaction chain, undertaking key functions including R&D, procurement, marketing, and after-sales services, and bears the majority of the associated risks. DDPAI Global operates as a limited-risk distributor focusing on overseas sales, assuming limited market, inventory, and credit risks.

Based on the respective functional and risk profiles, the Transfer Pricing Consultant selected the transactional net margin method as the most appropriate transfer pricing methodology and adopted the operating profit margin as the profit level indicator. The weighted average operating profit margin of DDPAI Global for the years 2024 and 2025 was 2.9%, which fell within the reasonable arm's length range for routine limited-risk distributors, which ranges approximately from 2% to 5%.

Accordingly, the Transfer Pricing Consultant concluded that the pricing policies of our intra-group cross-border transactions between our Company and DDPAI Global during the Track Record Period were consistent with the arm's length principle. Based on the advice of the Transfer Pricing Consultant, our Directors are of the view that our transfer pricing arrangements during the Track Record Period complied with applicable transfer pricing laws and regulations, and we do not have any material tax exposure in relation to transfer pricing that would necessitate significant tax provisions. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any inquiry, audit, investigation or challenge by any relevant tax authorities in connection with these intra-group cross-border transactions.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be involved in legal proceedings in the ordinary course of business. As of the Latest Practicable Date, there were no litigation or arbitration proceedings brought against us, or pending or threatened against us or any of our Directors, that could have a material adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incident which our Directors believe would, individually or in the aggregate, have a material adverse effect on our financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management policies and internal control systems to identify, assess, monitor and mitigate key risks associated with our business operations. These systems are overseen by our Board of Directors and senior management, with regular reviews to ensure their effectiveness.

Business operational risk management

We identify and manage operational risks through a structured framework that includes supply chain volatility, production disruptions, quality control issues and overseas expansion challenges. To address these risks, we have established a series of internal control measures such as dual sourcing for critical components, long-term supply contracts, strategic safety stock, supplier performance reviews and dynamic blacklist mechanisms. We also maintain integrated IT systems for real-time visibility across procurement, inventory and production. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board of Directors may need to take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Financial reporting risk management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, budget management policies, financial statements preparation policies, and finance department and staff management policies. We have various procedures in place to implement these accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular trainings to our finance department staff to ensure that they understand our accounting policies.

Data privacy and security risk management

We have implemented various measures to ensure our compliance with applicable laws and regulations on data privacy and security. We have designated personnel responsible for data protection and for monitoring the operation of our information technology infrastructure, each with extensive experience in the information technology industry.

Our data assets are encrypted and stored on firewall-protected servers deployed in both physical and cloud-based formats. Our physical servers, located in Dongguan, are dedicated to storing ERP data, while our cloud-based servers, located in Hangzhou, host our operational business data, both with daily data backups in place. We conduct regular data restore tests to verify the effectiveness of our backup mechanisms. We strictly restrict employee access to data based on job roles and responsibilities, maintain detailed access logs subject to periodic internal review, provide regular data protection training to employees, and require confidentiality undertakings to prevent improper use or disclosure of data.

For further details regarding our data protection practices and measures to safeguard against system intrusion, please refer to "Data security and protection" in this section.

Regulatory compliance risk management

We have established and implemented strict internal procedures to ensure that our business operations comply with applicable laws and regulations. Our legal and compliance department is responsible for reviewing and updating the contract templates used with our suppliers and customers. The department also works closely with our external legal counsel to confirm that we have obtained and properly maintained all permits and licenses necessary for our operations. We continuously refine our internal policies in response to changes in laws, regulations, and industry standards to maintain ongoing compliance.

Audit Committee and board oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Mr. Li Xu, Ms. Li Caiyun and Mr. Kang Yi. Mr. Li Xu is the chairman of the Audit Committee. Please refer to the section headed "Directors and Senior Management – Board of Directors" in this document.

Our internal control department is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.

BOARD OF DIRECTORS

Our Board consists of seven Directors, including four executive Directors and three independent non-executive Directors. Our Board serves a term of three years and is responsible and has general powers for the management and conduct of our business.

The table below sets out certain information of our Directors.

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Role and responsibilities
Mr. Luo Yong (羅勇)	47	Executive Director, chairman of our Board and general manager	July 8, 2013	June 2013	Responsible for formulating the overall development strategy of our Group and supervising our Group's operations
Mr. Yu Yunhui (喻運輝)	47	Executive Director and deputy general manager of R&D	June 3, 2016	June 2013	Responsible for overseeing our Group's R&D and technological innovation
Mr. Wang Kai (王凱)	44	Executive Director and deputy general manager of supply chain	June 3, 2016	June 2013	Responsible for overseeing our Group's supply chain management
Mr. Guo Xiaogang (郭孝剛)	45	Executive Director and employee representative Director	September 26, 2021	July 2019	Responsible for overseeing our Group's daily management
Ms. Li Caiyun (李彩雲)	45	Independent non-executive Director	March 9, 2026	March 2026	Responsible for providing independent advice and judgment to our Board
Mr. Li Xu (李煦)	52	Independent non-executive Director	March 9, 2026	March 2026	Responsible for providing independent advice and judgment to our Board
Mr. Kang Yi (康毅)	45	Independent non-executive Director	March 9, 2026	March 2026	Responsible for providing independent advice and judgment to our Board

None of our Directors has any relationship with other Directors and senior management of our Group.

The following sets forth the biographies of our Directors:

Executive Directors

Mr. Luo Yong（羅勇）, aged 47, is our executive Director, chairman of our Board and general manager and is primarily responsible for formulating the overall development strategy of our Group and supervising our Group's operations. He has been our general manager since July 2013, and was appointed as our Director on July 8, 2013. He has been the chairman of our Board since June 2016, and designated as our executive Director on June 22, 2026.

Mr. Luo has over 22 years of experience in the semiconductor and smart hardware industry. Prior to joining our Group, he worked at HiSilicon Technologies Co., Ltd.*（深圳市海思半導體有限公司）from May 2012 to May 2013, and at Huawei Technologies Co., Ltd.*（華為技術有限公司）from March 2004 to March 2012.

Mr. Luo has been the director and manager of DDPAI Dongguan and DDPAI Zhejiang since March 2026 and August 2021, respectively. He has been the director and general manager of each of DDPAI Cloud Technology, Chepaidang and Chongpeipei since September 2017, November 2019 and January 2022, respectively. He has been the director of each of DDPAI Global and DDPAI Automotive Electronics since their respective establishments in July 2023 and May 2025.

Mr. Luo obtained his bachelor's degree in communication engineering and his master's degree in circuits and systems from Guilin University of Electronic Technology（桂林電子工業學院）(now known as Guilin University of Electronic Technology（桂林電子科技大學）) in June 2001 and March 2004, respectively.

Mr. Luo obtained the qualification of intermediate engineer issued by the Shenzhen Municipal Human Resources and Social Security Bureau（深圳市人力資源和社會保障局）in April 2023.

Mr. Yu Yunhui（喻運輝）, aged 47, is our executive Director and deputy general manager of R&D and is primarily responsible for overseeing our Group's R&D and technological innovation. He was our deputy general manager from June 2013 to July 2016, and has been our deputy general manager of R&D since August 2016, and was appointed as our Director on June 3, 2016 and designated as our executive Director on June 22, 2026.

Mr. Yu has over 20 years of experience in the smart hardware and embedded systems industry. Prior to joining our Group, he worked at Huawei Technologies Co., Ltd.*（華為技術有限公司）for approximately eight years since late 2004.

Mr. Yu obtained his bachelor's degree in mechanical design, manufacturing and automation and master's degree in mechatronics from Harbin Institute of Technology（哈爾濱工業大學）in July 2002 and November 2004, respectively.

Mr. Wang Kai（王凱）, aged 44, is our executive Director and deputy general manager of supply chain and is primarily responsible for overseeing our Group's supply chain management. He was our head of R&D from June 2013 to July 2016, and has been our deputy general manager of supply chain since July 2016, and was appointed as our Director on June 3, 2016 and designated as our executive Director on June 22, 2026.

Mr. Wang has over 19 years of experience in the smart hardware and supply chain industry. Prior to joining our Group, he worked at Huawei Device Co., Ltd.*（華為終端有限公司）from May 2007 to May 2013.

Mr. Wang was the director and manager of DDPAI Dongguan from November 2017 to March 2026.

Mr. Wang obtained his bachelor's degree and master's degree both in software engineering from Huazhong University of Science and Technology (華中科技大學) in June 2004 and December 2006, respectively.

Mr. Guo Xiaogang (郭孝剛), aged 45, is our executive Director and employee representative Director and is primarily responsible for overseeing our Group's daily management. He joined our Group as the manager of the general manager's office in July 2019, and was appointed as our Director on September 26, 2021. He was elected as our employee representative Director on March 9, 2026 and designated as our executive Director on June 22, 2026.

Mr. Guo has over 16 years of experience in the financial and operational management industry. Prior to joining our Group, he worked at Huawei Technologies Co., Ltd* (華為技術有限公司) from May 2007 to July 2016, with his last position as senior financial manager.

Mr. Guo obtained his bachelor's degree in electromechanical engineering from Henan University of Science and Technology (河南科技大學) in September 2004 and his master's degree in industrial economics from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in April 2007.

Independent Non-executive Directors

Ms. Li Caiyun (李彩雲), aged 45, was appointed as our independent non-executive Director on March 9, 2026 and is primarily responsible for providing independent advice and judgment to our Board.

Ms. Li has over 15 years of experience in finance and financial management. She has been the general manager of Wuhu Zhida Bailian Financial Leasing Co., Ltd.* (蕪湖智達百聯融資租賃有限公司) since October 2022, primarily responsible for strategic decision-making and governance optimization, risk control system establishment and asset operation management. She used to work at Chery Commercial Vehicle (Anhui) Co., Ltd.* (奇瑞商用車(安徽)有限公司) in 2019 and 2020, as the deputy general manager of Karry new energy business unit, overseeing the policy support department, the financial services department, the financial management department and the operation and human resources department, concurrently serving as the financial director of the manufacturing center, overseeing financial operations.

Ms. Li obtained her bachelor's degree in accounting from Henan University of Economics and Law (河南財經政法大學) in December 2012 and her executive master's degree in business administration from Zhengzhou University (鄭州大學) in July 2018.

Ms. Li obtained the qualification of certified public accountant issued by The Chinese Institute of Certified Public Accountants in May 2009. She obtained the qualification of certified internal auditor issued by China Institute of Internal Audit with the authorization from the Institute of Internal Auditors in November 2010.

Mr. Li Xu (李煦), aged 52, was appointed as our independent non-executive Director on March 9, 2026 and is primarily responsible for providing independent advice and judgment to our Board.

Mr. Li has over 22 years of experience in accounting and finance. Mr. Li has been the associate professor of the Faculty of Business and Economics at the University of Hong Kong since July 2018, and is the program director of executive master of business administration of the University of Hong Kong. He was an assistant professor of Lehigh

University from August 2010 to June 2012. He was an assistant professor of the University of Texas from July 2004 to August 2010. He was an associate manager of Lucent Technologies Inc., a company which was formerly listed on the New York Stock Exchange, from January 1999 to August 1999.

Mr. Li has been an independent non-executive director of China South City Holdings Limited ("**China South City**"), a company listed on the Stock Exchange (stock code: 1668), since May 2023. He has been an independent non-executive director of Pizu Group Holdings Limited, a company listed on the Stock Exchange (stock code: 9893), since April 2023. He has been an independent non-executive director of China Tianbao Group Development Company Limited, a company listed on the Stock Exchange (stock code: 1427), since June 2019. He was an independent non-executive Director of China Kangda Food Company Limited, a company listed on the Stock Exchange (stock code: 834) and on the Singapore Exchange Securities Trading Limited (stock code: P74), from August 2020 to July 2023.

Mr. Li obtained the qualification of certified financial analyst from the Association for Investment Management and Research, now known as CFA Institute, in October 2003.

Mr. Li obtained his bachelor's degree in economics (international business management profession) from the University of International Business and Economics（北京對外經濟貿易大學）in July 1997, his master's degree in finance from the Boston College in December 1998 and his degree of doctor of philosophy in accounting from Massachusetts Institute of Technology in June 2004.

Mr. Li, since May 2023, has been an independent non-executive director of China South City, which is now in liquidation (the "**Liquidation**").

The details of the Liquidation are as follows:

Background of the Liquidation

As disclosed in the announcement of China South City dated January 28, 2025, a winding-up petition dated 27 January 2025 was filed by Citicorp International Limited at the High Court of the Hong Kong (the "**High Court**") against China South City, in relation to the non-payment of an amount of US$306,170,400 relating to the US$288,840,000 9.0% senior notes due April 2024 ("**Senior Notes**") issued by China South City. The non-payment of Senior Notes was due to changes in the external environment, China South City's sales had been below expectations and its cash flow had only been sufficient to fund daily operations, which had put an increasing strain on its working capital, as explained in the announcement of China South City dated February 9, 2024.

On August 11, 2025, China South City was ordered to be wound up by the High Court and joint and several liquidators were appointed. Trading in the shares of China South City on the Stock Exchange had been suspended with effect since then.

Suitability of Mr. Li

Notwithstanding the Liquidation, our Directors consider that Mr. Li is competent and able to fulfill his duties of care and diligence, and hence is suitable to act as an independent non-executive Director pursuant to Rules 3.08 and 3.09 of the Listing Rules as he possesses the experience, knowledge and skill as well as the character to be a Director for the following reasons:

1. Mr. Li was acting as an independent non-executive director and was not responsible for the day-to-day management of China South City. The Liquidation was due to the non-payment of Senior Notes issued by China South City as a

result of changes in the external environment, below-expectation sales and increasing strain on its working capital, and hence Mr. Li was not directly responsible for the Liquidation;

2. the Liquidation did not raise any concern over the issue of integrity or character of Mr. Li and there is no evidence that the Liquidation involved any act of dishonesty, fraud or suggested any issue of integrity on the part of Mr. Li which would affect his suitability to act as an independent non-executive Director;

3. as advised by our Company's PRC Legal Adviser, since the Mr. Li was not held personally liable for the Liquidation, the Liquidation does not disqualify Mr. Li from acting as a director in a PRC company under the PRC Company Law;

4. there were no civil actions or administrative or criminal punishments taken by any regulatory authority or stock exchange against Mr. Li;

5. Mr. Li has about 29 years of experience in accounting and finance. The appointment of Mr. Li as one of our independent non-executive Directors enables Mr. Li to offer his distinctive professionalism to our Group in relation to our strategic development. As such, his appointment is beneficial to the long-term development of our Group; and

6. Mr. Li joined training sessions on directors' duties and corporate governance of Hong Kong listed companies, so as to keep abreast of the laws and regulations applicable to Hong Kong listed companies and their directors.

Mr. Kang Yi (康毅), aged 45, was appointed as our independent non-executive Director on March 9, 2026 and is primarily responsible for providing independent advice and judgment to our Board.

Mr. Kang has over 12 years of experience in the semiconductor and smart hardware industry. He has been the general manager of Guangdong Hengqin Xinqiao Linkage Technology Co., Ltd.* (廣東橫琴芯橋聯動科技有限公司) since April 2025. He was the president of Shenzhen Xinsheng Intelligent Data Co., Ltd.* (深圳芯盛智能數據有限公司) from September 2022 to July 2024. He was the senior market manager of HiSilicon Technologies Co., Ltd.* (深圳市海思半導體有限公司) from November 2005 to July 2015.

Mr. Kang obtained his bachelor's degree in communication engineering from the Xi'an University of Science and Technology (西安科技大學) in July 2003 and his master's degree in microelectronics from the Newcastle University in December 2004.

General

Each of our Directors has confirmed that:

(1) he or she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on March 24, 2026 and understood his/her obligations as a director of a listed issuer under the Listing Rules;

(2) save as disclosed above, he or she does not hold other positions in our Company or other members of our Group as of the Latest Practicable Date;

(3) save as disclosed above, he or she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the date of this document; and

(4) save as disclosed above and in this document, other than being a Director, he or she has no other relationships with any other Directors, members of our senior management, substantial shareholders or Controlling Shareholders as of the Latest Practicable Date.

Save as disclosed in this section, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

(1) there is no other matter with respect to their appointments that needs to be brought to the attention to the Shareholders and the Stock Exchange as of the Latest Practicable Date; and

(2) there is no other information relating to their appointments that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence as regards each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he or she does not have any 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 which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Group.

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities
Mr. Luo Yong (羅勇)	47	Executive Director, chairman of our Board and general manager	July 8, 2013	June 2013	Responsible for formulating the overall development strategy of our Group and supervising our Group's operations
Mr. Yu Yunhui (喻運輝)	47	Executive Director and deputy general manager of R&D	June 3, 2016	June 2013	Responsible for overseeing our Group's R&D and technological innovation

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities
Mr. Wang Kai (王凱)	44	Executive Director and deputy general manager of supply chain	June 3, 2016	June 2013	Responsible for overseeing our Group's supply chain management
Ms. Wang Zhilan (王枝蘭)	37	Head of finance	June 3, 2016	April 2014	Responsible for financial management of our Group
Mr. Ma Yiding (馬一丁)	46	Secretary to our Board	April 1, 2023	January 2014	Responsible for overseeing our Group's corporate governance and the operation of our Board

None of our senior management has any relationship with other senior management of our Group and Directors.

For biographical details of Mr. Luo Yong (羅勇), Mr. Yu Yunhui (喻運輝) and Mr. Wang Kai (王凱), see "– Board of Directors – Executive Directors" in this section. The following sets forth the biographies of our senior management:

Ms. Wang Zhilan (王枝蘭), (with former name as Wang Fan (王凡)), aged 37, joined our Company in April 2014 as the financial officer and has been our head of finance since June 3, 2016 and is primarily responsible for financial management of our Group.

Ms. Wang has over 14 years of experience in finance. Prior to joining our Group, she worked at the financial department of Yongxu Craft (Shenzhen) Co., Ltd.* (永旭工藝(深圳)有限公司) from October 2011 to March 2014, primarily responsible for reimbursement, tax filing and accounting.

Ms. Wang has been the financial officer of each of DDPAI Automotive Electronics, Chongpeipei, DDPAI Zhejiang, Chepaidang, DDPAI Cloud Technology and DDPAI Dongguan, since May 2025, January 2022, August 2020, November 2019, September 2017 and August 2016, respectively.

Ms. Wang obtained her bachelor's degree in finance through the Self-taught Higher Education Examination from Shenzhen University (深圳大學) in June 2020 and her master's degree in accounting through online courses from Zhongnan University of Economics and Law (中南財經政法大學) in June 2026.

Ms. Wang obtained the qualification of intermediate accountant issued by the Ministry of Finance of the PRC in September 2024.

Mr. Ma Yiding (馬一丁), aged 46, has been the secretary to our Board since April 1, 2023, and is primarily responsible for overseeing our Group's corporate governance and the operation of our Board.

Mr. Ma joined our Company in January 2014. He was our marketing director from January 2014 to March 2023.

Mr. Ma has over 22 years of experience in the electronics and semiconductors sector in the telecommunications, media and technology industry. Prior to joining our Group, he worked at HiSilicon Technologies Co., Ltd.*(深圳市海思半導體有限公司)from October 2010 to January 2014, primarily responsible for HiSilicon network access terminal product line brand marketing. He used to work as the chief editor of China Electronics Convention & Information Communication Co., Ltd.*(中電會展與信息傳播有限公司), primarily responsible for operations of the "China Electronic Market" magazine and the electronic components technology website. He was an analyst of Global Sources till February 2009, primarily responsible for electronics industry B2B online media operations.

Mr. Ma has been the supervisor of each of Chongpeipei, DDPAI Zhejiang, Chepaidang, DDPAI Cloud Technology and DDPAI Dongguan, since July 2023, July 2023, July 2023, June 2023 and May 2024, respectively.

Mr. Ma obtained his bachelor's degree in electronic information engineering from Beijing University of Aeronautics and Astronautics(北京航空航天大學)in July 2003.

JOINT COMPANY SECRETARIES

Mr. Ma Yiding(馬一丁)was appointed as one of our joint company secretaries on June 22, 2026 (effective upon the **[REDACTED]**. For his biographical details, see "– Senior Management" in this section.

Ms. Fung Sin Ting Karin(馮羨婷), aged 26, was appointed as one of our joint company secretaries on June 22, 2026 (effective upon **[REDACTED]**.

Ms. Fung has over four years of extensive experience in company secretarial profession. She is an executive of the listing services division at TMF Hong Kong Limited, primarily responsible for providing corporate secretarial and compliance services to listed company clients.

Ms. Fung obtained her bachelor's degree of business administration (Honors) from The Hang Seng University of Hong Kong in December 2021 and her master's degree in corporate governance from The Hong Kong Polytechnic University in October 2025.

Ms. Fung is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

We have established the following committees on our Board: the Audit Committee, the Remuneration Committee and the Nomination Committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

Our Company has established an Audit Committee (effective from March 9, 2026) with written terms of reference in compliance with 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 (the "**Corporate Governance Code**"). The Audit Committee consists of Mr. Li Xu, Ms. Li Caiyun and Mr. Kang Yi, with Mr. Li Xu serving as the chairman. Mr. Li Xu holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company has established a Remuneration Committee (effective from the **[REDACTED]**) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration Committee consists of Mr. Luo, Ms. Li Caiyun and Mr. Kang Yi, with Mr. Kang Yi serving as the chairman. The primary duties of the Remuneration Committee include, but are not limited to, making recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, reviewing performance-based remuneration, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

Our Company has established a Nomination Committee (effective from the **[REDACTED]**) with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of Mr. Luo, Ms. Li Caiyun and Mr. Kang Yi, with Mr. Luo serving as the chairman. The primary functions of the Nomination Committee include, but are not limited to, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

Our Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

Our Company always believes that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a clear independent element on our Board, which can effectively exercise independent judgment.

Our Company intends to comply with all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the **[REDACTED]** except for Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman of our Board and the general manager of our Company are currently performed by Mr. Luo. In view of Mr. Luo's substantial contribution to our Group and his extensive experience in the industry, we consider that having him acting as both the chairman of our Board and the general manager of our Company will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Mr. Luo continues to act as both the chairman of our Board and the general manager of our Company after the **[REDACTED]**, and therefore currently do not propose to separate such functions. While this would constitute a deviation from Code Provision C.2.1 of Part 2 of the Corporate Governance Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that: (i) there are sufficient checks and balances in our Board as it comprises three independent non-executive Directors; (ii) Mr. Luo and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and our Shareholders and will make decisions for our Group accordingly; and (iii) the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of the chairman of our Board and the general manager of our Company is necessary.

Board Diversity Policy

We have adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board and in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract and retain talents and motivate employees. We have also taken and will continue to take measures to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Our Board has a balanced mix of knowledge and experience in semiconductor and smart hardware, supply chain, accounting and financial management, etc. They obtained degrees in various majors including electronic engineering, communication engineering, software engineering, economics, accounting, etc. Furthermore, our Board has a relatively wide range of ages, ranging from 44 years old to 52 years old, and consists of six male members and one female member. Our Board is of the view that our Board satisfies the Board Diversity Policy.

Our Nomination Committee will review and assess the composition of our Board and make recommendations to our Board on appointment of members of our Board. Meanwhile, our Nomination Committee will consider the benefits of all aspects of board diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, culture and ethnicity, and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on our Board. Upon **[REDACTED]**, the Nomination Committee will from time to time (i) discuss and agree on expected goals to ensure board diversity; and (ii) review and update the Board Diversity Policy as necessary to ensure its effectiveness. Our Company will disclose the implementation of the Board Diversity Policy in its corporate governance report on an annual basis.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a 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.

REMUNERATION POLICY

Our Directors receive compensation in the form of salaries, allowances and benefits in kind, discretionary bonuses and our Company's contributions to retirement scheme on their behalves. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

The aggregate amounts of remuneration which were paid to our Directors and then supervisors (including salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions) for the three financial years ended December 31, 2023, 2024 and 2025 were approximately RMB4.7 million, RMB4.9 million and RMB4.6 million, respectively.

It is estimated that the aggregate amount of remuneration payable to our Directors for the financial year ending December 31, 2026 will be approximately RMB5.2 million under arrangements in force as of the date of this document.

For the three financial years ended December 31, 2023, 2024 and 2025, there were five, four and four Directors and then supervisors among the five highest paid individuals, respectively. The aggregate amounts of remuneration which were paid by our Group to the five highest paid individuals (excluding Directors and then supervisors) for the three financial years ended December 31, 2023, 2024 and 2025 were nil, RMB0.6 million and RMB0.8 million, respectively.

During the Track Record Period, no remuneration was paid or payable to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group or as compensation for loss of office, and none of our Directors waived or agreed to waive any remuneration.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors or the five highest paid individuals during the Track Record Period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, please refer to Notes 9(a) and 9(b) of the Accountants' Report as set out in Appendix I to this document.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules, is contemplated, including share issues and share repurchases;
- where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of us regarding unusual **[REDACTED]** and **[REDACTED]** or other issues under Rule 13.10 of the Listing Rules.

The terms of appointment of the compliance advisor shall commence on the **[REDACTED]** and end on the date on which we publishes our financial results for the first full financial year commencing after the **[REDACTED]** in compliance with Rule 13.46 of the Listing Rules and such appointment may be subject to extension by mutual agreement.

OVERVIEW

As of the Latest Practicable Date, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held in aggregate of approximately 43.72% of the total issued share capital of our Company.

Mr. Luo is the sole general partner of each of Weiyou Gongchuang and Weiyong Gongying. Shenzhen Yichen is the sole general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui. Shenzhen Yichen is wholly-owned by Mr. Luo. Each of Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng is our Employee Incentive Platform and each of Weiyou Gonghui, Weiyou Gongying and Shenzhen Yichen is an investment platform controlled by Mr. Luo.

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Mr. Luo, Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng, Weiyou Gonghui and Shenzhen Yichen will become a group of our Controlling Shareholders, directly and indirectly holding an aggregate of approximately **[REDACTED]**% of the total issued share capital of our Company.

COMPETING INTERESTS

None of our Controlling Shareholders was, as of the Latest Practicable Date, interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors consider that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the **[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, and we also have six senior management members (of which four are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, please see the section headed "Directors and Senior Management" in this document.

Mr. Luo, our chairman of the Board, executive Director and general manager, is a Controlling Shareholder. Save as disclosed in this paragraph, all our other Directors and other senior management members are independent from our Controlling Shareholders.

Our Directors consider that our Group will be able to operate independently of our Controlling Shareholders after **[REDACTED]** for the following reasons:

(i) the decision-making mechanism of our Board set out in the Articles of Associations includes provisions on avoiding conflicts of interest by providing, among other things, that in the event of a conflict of interest, such as considering any resolution on transaction or arrangement in which our Controlling Shareholders or any of their respective close associates has a material interest, such Directors who are connected with our Controlling Shareholders and the transactions shall abstain from voting and shall not be counted in the quorum. Such resolutions shall be passed by a simple majority of our Directors present at the meeting who are not connected with matters being considered;

(ii) there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest between our Group and our Controlling Shareholders (if any). For further details, please refer to the paragraph headed "Corporate Governance Measures" in this section. Therefore, the dual roles as Controlling Shareholder and executive Director assumed by Mr. Luo will not affect the requisite degree of his impartiality as our Director in discharging his fiduciary duties owed to our Company;

(iii) the daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including finance, accounting, human resources and business management on a standalone basis;

(iv) each of Director is aware of his or her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests; and

(v) we have appointed three independent non-executive Directors and believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that our independent non-executive Directors have sufficient knowledge, experience and capability to provide an independent opinion in the decision-making process of our Board to protect the interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in our Company after the **[REDACTED]**, we have full rights to make all decisions regarding, and to carry out, our own business operations independently. We hold all requisite licenses and intellectual properties that are material to the operation of our business. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders. We have established our own sales and marketing, finance, legal and general administrative functions which operate independently from our Controlling Shareholders.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group has our own internal control, accounting and financial management system and we make financial decisions independently according to our own business needs. We have independent bank accounts and do not share any of our bank accounts, loan facilities or credit facilities with our Controlling Shareholders or their respective close associates. In addition, our Group has sufficient capital and credit facilities to operate our business independently, and has adequate internal resources and credit profile to support our daily operations. As of the Latest Practicable Date, our Group had interest-bearing bank borrowings in the principal amount of RMB40.9 million guaranteed by Mr. Luo, which will be repaid before the **[REDACTED]** upon maturity and personal guarantees provided by Mr. Luo will be released accordingly.

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of sound corporate governance in protection of our Shareholders' interests. Our Company have/will put in place sufficient and effective corporate governance measures to manage conflicts of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(i) the decision-making mechanism of our Board in the Articles of Association has included provisions to avoid conflicts of interest by requiring, among other things, that in the event of a conflict of interest, such as the consideration of a resolution in respect of a transaction or arrangement in which our Controlling Shareholders or any of their close associates has a material interest, such Directors interested in the transaction shall abstain from voting and shall not be counted in the quorum of the meeting;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will abstain from voting on the relevant resolutions and shall not be counted in the quorum in the voting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules;

(iv) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors: (a) possess sufficient experience; (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment; and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole;

(v) our independent non-executive Directors shall review, on an annual basis, any conflict of interests between our Group and our Controlling Shareholders or their respective close associates, and our Controlling Shareholders shall provide our independent non-executive Directors with all necessary information for consideration. Where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgment, the appointment of such independent professionals will be made at the expense of our Company;

(vi) we have appointed Somerley Capital Limited as our compliance advisor to provide us with advice and guidance in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(vii) we have established the Audit committee, the Remuneration Committee and the Nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors believe that sufficient corporate governance measures have been/will be put in place to manage conflict of interests that may arise between our Group and our Controlling Shareholders and to protect our Shareholders' interests as a whole after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]**, without taking into account any Shares that may be allotted and issued pursuant to the exercise of the **[REDACTED]**, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, 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 our Company:

		As of the Latest Practicable Date[1]		Immediately following completion of the [REDACTED] and the [REDACTED][4]		
Name of Shareholder	Capacity/nature of interest	Number of Shares held	Approximate percentage of interest	Number of Shares held	Approximate percentage of interest in Unlisted Shares/ H Shares (as appropriate)	Approximate percentage of interest in the total issued Shares
Mr. Luo	Beneficial owner	4,187,137 Unlisted Shares	19.50%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation[2]	5,198,192 Unlisted Shares	24.21%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
	Total	9,385,329 Unlisted Shares	43.72%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Zhou Guangde (周廣德)	Beneficial owner	2,538,045 Unlisted Shares	11.82%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Weiyou Gongchuang	Beneficial owner	2,121,947 Unlisted Shares	9.88%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Weiyou Gongying	Beneficial owner	1,227,000 Unlisted Shares	5.72%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Shenzhen Yichen	Interest in controlled corporation[3]	1,849,245 Unlisted Shares	8.61%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Yu Yunhui (喻運輝)	Beneficial owner	1,710,876 Unlisted Shares	7.97%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%
Net Posa Technologies Ltd.* (東方網力科技股份有限公司)	Beneficial owner	853,125 Unlisted Shares	3.97%	[REDACTED] [REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) As of the Latest Practicable Date, each of Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held 9.88%, 5.72%, 5.18%, 1.87% and 1.57% interest in our Company. Given Mr. Luo is the general partner of each of Weiyou Gongchuang and Weiyou Gongying, and Shenzhen Yichen, a company wholly-owned by Mr. Luo, is the general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui, Mr. Luo is deemed to be interested in all Shares held by Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui for the purpose of the SFO.

(3) As of the Latest Practicable Date, each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held 5.18%, 1.87% and 1.57% interest in our Company. Given Shenzhen Yichen is the general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui, Shenzhen Yichen is deemed to be interested in all Shares held by Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui for the purpose of the SFO.

(4) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** and the **[REDACTED]** without taking into account any Shares that may be allotted and issued pursuant to the exercise of the **[REDACTED]**.

Save as disclosed herein, our Directors are not aware of any other persons who will, immediately following completion of the **[REDACTED]**, without taking into account any Shares that may be allotted and issued pursuant to the exercise of the **[REDACTED]**, have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, 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 our Company.

SHARE CAPITAL

This section presents certain information regarding the share capital of our Company before and upon completion of the **[REDACTED]**.

Before the [REDACTED]

As of the Latest Practicable Date, the total share capital of our Company was 21,468,750 Unlisted Shares of nominal value of RMB1.00 each.

Upon completion of the [REDACTED] and the [REDACTED]

Immediately upon completion of the **[REDACTED]** and the **[REDACTED]**, assuming the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	**[REDACTED]**	**[REDACTED]**%
H Shares to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Immediately upon completion of the **[REDACTED]** and the **[REDACTED]**, assuming the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	**[REDACTED]**	**[REDACTED]**%
H Shares to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

RANKING

Upon completion of the **[REDACTED]** and conversion of **[REDACTED]** Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and **[REDACTED]** are ordinary shares in the share capital of our Company. Apart from certain **[REDACTED]** in the PRC, certain qualified PRC **[REDACTED]** 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, H Shares generally cannot be subscribed by or **[REDACTED]** among legal and natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of shares, and Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars and all dividends in respect of our Unlisted Shares are to be paid by us in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares. After the conversion of Unlisted Shares, such converted Shares may be **[REDACTED]** or **[REDACTED]** on an overseas stock exchange, provided that any requisite internal approval process and all filing procedures with relevant PRC regulatory authorities, including the CSRC, have been completed, and regulations, requirements and procedures prescribed by the relevant overseas stock exchange have been complied with.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the **[REDACTED]** of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any **[REDACTED]** of additional Shares after our **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong.

Any application for **[REDACTED]** of the converted Shares on the Stock Exchange after our **[REDACTED]** is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on our H Share register will be conditional on (a) our **[REDACTED]** lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to **[REDACTED]** on the Stock Exchange is in compliance with the Listing Rules, the General Rules of **[REDACTED]** and the **[REDACTED]** **[REDACTED]** in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be **[REDACTED]** as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to 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》) announced by the CSRC, the holders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the Unlisted Shares involved in the application is completed.

SHAREHOLDERS' GENERAL MEETINGS

For details regarding convening of Shareholders' general meetings, see "Appendix V – Summary of Articles of Association – Shareholders' Meeting" to this document.

You should read the following discussion and analysis in conjunction with consolidated financial statements, including the notes thereto included in the Accountants' Report in Appendix I to this document and the selected historical financial information presented elsewhere to this document. Our consolidated financial statements were prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make considering 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, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections headed "Risk Factors", "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are primarily engaged in the R&D, manufacturing, and sales of vehicle smart imaging devices for automotive and travel scenarios, with dash cameras, which constitute our core type of vehicle smart imaging devices and are offered in a wide range of models under our DDPAI brand across different product series, being our major product category and the primary contributor to our revenue during the Track Record Period. In addition to dash cameras, our product portfolio also includes complementary in-vehicle products, such as 4G cloud boxes, smart car screens and vehicle-mounted peripherals which extend or enhance the usage of our core products. Besides, we offer customized dash cameras, rearview mirrors and smart car screens, and their printed circuit board assemblies ("**PCBAs**") primarily to automobile manufacturers, and such products are offered under third-party brands ("**Third-Party Brand Products**"). We integrate our products with our DDPAI App, enabling users to access, view, download, and share real-time and recorded video footage on their smartphones. Our dash cameras enhance driving safety, record driving footage and travel moments, and support smart connectivity features that extend beyond traditional recording to form part of a broader "mobile third space" ecosystem.

We adopt a multi-channel sales model comprising (i) direct online sales through our self-operated stores on major e-commerce platforms and our direct-to-consumer ("**DTC**") channels, (ii) online and offline distributors, and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers.

We recorded revenue of RMB394.5 million, RMB352.4 million, and RMB475.6 million, respectively, for the years ended December 31, 2023, 2024, and 2025. Our net profit for the same periods amounted to RMB18.6 million, RMB23.0 million, and RMB36.6 million, respectively.

BASIS OF PRESENTATION

Please refer to Note 2 to the Accountants' Report in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including those set out below.

Market demand and consumer preference

We generate revenue from the sale of dash cameras and others which comprise complementary in-vehicle products that extend or enhance the usage of our core products and Third-Party Brand Products. During the Track Record Period, strong market demand for vehicle smart imaging devices significantly drove our results of operations and financial performance.

Our revenue was RMB394.5 million and RMB352.4 million for the years ended December 31, 2023 and 2024, respectively, and increased to RMB475.6 million for the year ended December 31, 2025, representing a CAGR of approximately 9.8%, from 2023 to 2025. According to Frost & Sullivan, the market size of the global vehicle smart imaging devices industry, in terms of revenue, increased from RMB27.9 billion in 2023 to RMB28.0 billion in 2024 and further to RMB31.6 billion in 2025, representing a CAGR of 6.4%. The market is expected to grow substantially at a CAGR of 15.2% from 2025 to 2030.

Our results of operations are closely tied to market growth dynamics, which are influenced by consumers' needs for driving safety and travel social recording, as well as broader macroeconomic conditions such as the level of travel activities and consumers' overall disposable income. Consumer preferences are rapidly shifting toward premium products integrated with AI-driven features. Any changes in market demand or shifts in consumer preferences may affect our revenue growth and profitability.

Our product portfolio and pricing strategy

Our profitability depends significantly on our product portfolio and the corresponding pricing strategy. During the Track Record Period, we adhered to a premium product strategy, focusing on vehicle smart imaging devices integrated with our self-developed πChips, πOS, πLens and AI algorithms. Premium models featuring edge-side AI large models and πLink multi-device networking capabilities have allowed us to maintain resilient pricing strategies and successfully convert our technological innovation into product premiums. Our pricing strategy was further supported by the optimization of our product mix and pricing structure, primarily attributable to overseas customers' preference for our mid-to-high-end Z series models and the broad range of N series models designed to align with regional market needs, together with the higher prevailing prices in overseas markets, which resulted in higher sales volumes of high-margin products in overseas markets that command a higher average selling price ("**ASP**").

As dash cameras are our core product category, the impact of our pricing strategy is most directly reflected in the steady growth of our overall ASP of dash cameras, which increased from RMB252.2 per unit for the year ended December 31, 2023 to RMB261.4 per unit for the year ended December 31, 2024, and further to RMB303.9 per unit for the year ended December 31, 2025. Such continuous improvement in ASP effectively offset the downward pressure on prices for existing models and supported the steady increase in our overall gross profit margin of dash cameras from 38.2% for the year ended December 31, 2023 to 40.0% for the year ended December 31, 2024 and remained stable at 39.5% for the year ended December 31, 2025. We will continue to invest in R&D to develop new vehicle smart imaging devices to meet evolving consumer preferences and market demands and to further strengthen our competitive position in pricing. Any delay in new product development or failure to align with changing consumer requirements could limit our ability to sustain revenue growth and margin improvement.

Our ability to expand our business overseas and improve our market penetration

Overseas markets have become an increasingly important contributor to our revenue growth. During the Track Record Period, our revenue from overseas markets increased from RMB86.1 million for the year ended December 31, 2023 to RMB132.4 million for the year ended December 31, 2024, and further to RMB263.3 million for the year ended December 31, 2025, representing a CAGR of 74.9% from 2023 to 2025. The contribution of overseas revenue to our total revenue increased from 21.8% for the year ended December 31, 2023 to 37.5% for the year ended December 31, 2024 and further increased to 55.4% for the year ended December 31, 2025. This strong performance was driven by our strong brand marketing and product development capabilities and our ability to deliver competitive, differentiated products, including our mid-to-high-end Z series models and the broad range of N series models designed to align with regional market needs, which are preferred by overseas customers.

Further, overseas markets have delivered higher gross profit margins than domestic markets during the Track Record Period. Our gross profit margin for overseas markets was 42.1%, 43.4% and 43.4% for the years ended December 31, 2023, 2024 and 2025, respectively, while our gross profit margin for the domestic markets was 34.7%, 34.7% and 31.7% for the same periods. The higher sales volumes of high-margin products in overseas markets have been one of the key drivers of the overall increase in our gross profit margin.

Therefore, our results of operations depend on our ability to continue expanding our business overseas and improving market penetration. Any failure to maintain or enhance the performance of our overseas sales channels, whether due to unsuccessful sales and marketing efforts, unsatisfactory customer support and after-sales services, or any other reason, could result in reduced sales volumes, revenue and gross profit margin.

Fluctuations in raw materials and consumables costs and supply chain stability

Fluctuations in raw material and consumables costs and supply chain stability have a material impact on our cost of sales, as raw materials and consumables accounted for 87.8%, 87.9% and 89.4% of our cost of sales for the years ended December 31, 2023, 2024 and 2025, respectively.

Among our raw materials and consumables, memory chips represent one of our major cost components and account for a significant portion of our procurement needs. Fluctuations in global memory chip supply and their prices placed pressure on our procurement prepayments. Our prepayments for materials and services increased from RMB1.9 million as of December 31, 2024 to RMB11.7 million as of December 31, 2025, partly due to the shortage of chips and increase in chip prices, in response to which we make advance payments to our suppliers to lock in supply for our three to six months of chip inventory needs amid chip shortages and price volatility.

We have implemented several measures to mitigate these risks, including maintaining long-term relationships with multiple qualified suppliers, engaging new qualified suppliers and adopting flexible procurement strategies such as advanced bulk purchasing to secure stable supply and favorable pricing. Our ability to continue mitigating price risks and supply shortages of key components through these measures is directly linked to the sustainability of our profit growth. If raw materials and consumables prices continue to rise and we are not able to pass on the cost increases through higher selling prices without impacting sales volumes, our gross profit margin and results of operation will be adversely affected.

Our capabilities in R&D and in technological innovation

Continuous R&D investment and technical platform capabilities are the cornerstones of our core competitiveness. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses were RMB31.6 million, RMB26.9 million and RMB32.1 million, respectively. R&D expenses accounted for 8.0%, 7.6% and 6.8% of our total revenue for the same periods, respectively. Leveraging our secondary development capabilities in chip-level and underlying algorithms, we have constructed rapidly reusable technical platforms (including πOS software platform, πChips hardware platform, and πLens imaging platform) that significantly shorten the time-to-market for new products. This sustained investment in innovation allows us to stay ahead of industry trends and capture technical premiums while maintaining resilient pricing strategies in a competitive market. Any negative changes in our R&D progress or technical output would adversely affect our market standing and results of operations.

MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING JUDGMENTS AND ESTIMATES

For material accounting policies, as well as accounting judgments and estimates, please refer to Note 3.2 and Note 4 to the Accountants' Report in Appendix I to this document.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of comprehensive income for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	394,463	352,393	475,604
Cost of sales	(251,040)	(218,628)	(294,025)
Gross profit	**143,423**	**133,765**	**181,579**
Other income	4,895	3,978	4,825
Other losses, net	(5,958)	(4,137)	(905)
Net impairment losses (recognized)/ reversed on financial assets	(491)	174	146
Research and development expenses	(31,582)	(26,907)	(32,125)
General and administrative expenses	(31,696)	(27,790)	(35,015)
Selling expenses	(55,997)	(53,030)	(77,410)
Finance costs	(4,362)	(3,306)	(1,868)
Profit before income tax	**18,232**	**22,747**	**39,227**
Income tax credit/(expense)	397	252	(2,616)
Profit for the year	**18,629**	**22,999**	**36,611**

DESCRIPTION OF MAJOR COMPONENTS IN OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Revenue by product category

During the Track Record Period, we generated revenue primarily from the provision of dash cameras, our core type of vehicle smart imaging devices and major product category, with the remainder contributed by complementary in-vehicle products that extend or enhance the usage of our core products, such as 4G cloud boxes, smart car screens, and vehicle-mounted peripherals, as well as Third-Party Brand Products.

The following table sets forth our revenue breakdown by product category in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Dash cameras	273,300	69.3	260,085	73.8	376,547	79.2
Others	121,163	30.7	92,308	26.2	99,057	20.8
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

Our ASP is calculated by dividing the revenue by the total sales volume by unit of each product category. Each product category comprises various products, which vary significantly in terms of selling price per unit.

The following table sets forth a breakdown of the sales volume and ASP of our products by product category for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales volume	ASP	Revenue	Sales volume	ASP	Revenue	Sales volume	ASP
	RMB'000	*Unit'000*	*RMB/unit*	*RMB'000*	*Unit'000*	*RMB/unit*	*RMB'000*	*Unit'000*	*RMB/unit*
Dash cameras	273,300	1,084	252.2	260,085	995	261.4	376,547	1,239	303.9
Others	121,163	1,566	77.4	92,308	1,338	69.0	99,057	1,760	56.3
Total/Overall	**394,463**	**2,650**	**148.9**	**352,393**	**2,333**	**151.0**	**475,604**	**2,999**	**158.6**

The sales volume of our products decreased from 2.7 million units for the year ended December 31, 2023 to 2.3 million units for the year ended December 31, 2024, primarily due to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets. For the year ended December 31, 2025, our sales volume increased to 3.0 million units, supported by our strong growth in overseas markets and the enhanced performance of our domestic sales channels.

The ASP of our products experienced steady growth during the Track Record Period, increasing from RMB148.9 per unit for the year ended December 31, 2023 to RMB151.0 per unit for the year ended December 31, 2024, and further to RMB158.6 per unit for the year ended December 31, 2025. This growth was primarily attributable to (i) higher sales volumes of high-margin products in overseas markets, which generally commanded higher ASPs; (ii) our continued product upgrades, including the launch of higher-specification models with advanced AI features, together with our premium pricing strategy and the optimization of our product mix toward a higher proportion of premium dash camera models; (iii) higher unit costs of certain raw materials and consumables, including memory chips, with a portion of the increase reflected in our product pricing.

Revenue by customer location

Our products are sold to customers located in various countries and regions worldwide. The following table sets forth the breakdown of our revenue by geographical location of our customers at which the goods delivered for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese mainland	308,396	78.2	220,024	62.5	212,287	44.6
Asia (excluding Chinese mainland)	59,741	15.1	94,142	26.7	205,733	43.3
Europe	17,562	4.5	24,043	6.8	24,783	5.2
America	6,787	1.7	7,830	2.2	18,894	4.0
Others	1,977	0.5	6,354	1.8	13,907	2.9
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

Our revenue from the Chinese mainland decreased from RMB308.4 million for the year ended December 31, 2023 to RMB220.0 million for the year ended December 31, 2024, and further to RMB212.3 million for the year ended December 31, 2025. As a result, its contribution to total revenue declined from 78.2% for the year ended December 31, 2023 to 62.5% for the year ended December 31, 2024 and further to 44.6% for the year ended December 31, 2025. This decline was primarily due to (i) our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets; (ii) intensified domestic markets competition and (iii) our strategic shift in focus toward overseas markets.

In contrast, revenue from Asia (excluding Chinese mainland) increased significantly from RMB59.7 million for the year ended December 31, 2023 to RMB94.1 million for the year ended December 31, 2024, and further to RMB205.7 million for the year ended December 31, 2025. Its contribution to total revenue increased substantially from 15.1% for the year ended December 31, 2023 to 26.7% for the year ended December 31, 2024 and further to 43.3% for the year ended December 31, 2025, making it our largest overseas market. Revenue from Europe and America also recorded steady growth during the Track Record Period.

Overall, overseas revenue (excluding Chinese mainland) increased from RMB86.1 million for the year ended December 31, 2023 to RMB132.4 million for the year ended December 31, 2024, and further to RMB263.3 million for the year ended December 31, 2025, representing a CAGR of 74.9%, and its contribution to total revenue rose from 21.8% to 55.4%. This was primarily due to our strategic focus on overseas markets, our strong brand marketing and product development capabilities, and our ability to deliver competitive, differentiated products, such as mid-to-high-end Z series models and the broad range of N series models designed to align with the regional market needs.

Revenue by sales channel

We have established a global multi-channel sales and distribution network, including (i) direct online sales, through our self-operated stores on e-commerce platforms and our DTC channel; (ii) online and offline distributors and (iii) others, which mainly involve B2B sales of Third-Party Brand Products to automobile manufacturers.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese mainland						
Direct online sales	94,594	24.0	71,922	20.4	89,715	18.9
Distributors						
– Online distributors	82,402	20.9	64,739	18.4	52,467	11.0
– Offline distributors	43,743	11.1	21,699	6.2	19,619	4.1
Others	87,657	22.2	61,664	17.5	50,486	10.6
Sub-total	**308,396**	**78.2**	**220,024**	**62.5**	**212,287**	**44.6**
Overseas						
Direct online sales	11,991	3.0	23,065	6.5	67,598	14.2
Distributors						
– Online distributors	–	–	2,878	0.8	1,579	0.3
– Offline distributors	73,680	18.7	106,196	30.2	192,365	40.5
Others	396	0.1	230	0.0	1,775	0.4
Sub-total	**86,067**	**21.8**	**132,369**	**37.5**	**263,317**	**55.4**
Total	**394,463**	**100.0**	**352,393**	**100.0**	**475,604**	**100.0**

During the Track Record Period, revenue from Chinese mainland direct online sales decreased from RMB94.6 million for the year ended December 31, 2023 to RMB71.9 million for the year ended December 31, 2024, primarily due to intensified domestic competition and the introduction of fewer new products to certain of our online sales platforms during the period. Revenue from Chinese mainland direct online sales then increased to RMB89.7 million for the year ended December 31, 2025, as we strengthened our focus on this channel and increased both the supply of new products and the operational resources dedicated to our online sales platforms.

Revenue from online distributors in the Chinese mainland decreased from RMB82.4 million for the year ended December 31, 2023 to RMB64.7 million for the year ended December 31, 2024 and further to RMB52.5 million for the year ended December 31, 2025, mainly because the online distributor channel faced increasing competitive pressure from platform-operated self-run stores on major e-commerce platforms, resulting in a gradual decline in sales generated through online distributors. Revenue from offline distributors in the Chinese mainland decreased from RMB43.7 million for the year ended December 31, 2023 to RMB21.7 million for the year ended December 31, 2024 and further to RMB19.6 million for the year ended December 31, 2025, mainly because our offline distributors primarily comprised car repair shops, a channel where demand continued to decline as consumers increasingly shifted their purchases from offline shops to online channels, which is an industry-wide trend, according to Frost & Sullivan.

Revenue from Chinese mainland other channel decreased from RMB87.7 million to RMB61.7 million and further to RMB50.5 million over the same periods primarily due to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets.

During the Track Record Period, revenue from overseas direct online sales increased from RMB12.0 million for the year ended December 31, 2023 to RMB23.1 million for the year ended December 31, 2024 and further to RMB67.6 million for the year ended December 31, 2025, primarily driven by the expansion of our DTC channel on major overseas e-commerce platforms, increased investment in overseas brand marketing, and the growing recognition of our products among consumers in overseas markets.

Revenue from overseas online distributors grew from nil for the year ended December 31, 2023 to RMB2.9 million for the year ended December 31, 2024, primarily attributable to the expansion of our overseas online distributor network. Revenue from overseas online distributors decreased to RMB1.6 million for the year ended December 31, 2025, mainly attributable to intensified competition among overseas online distributors and a shift in certain sales from distributor channels to our self-operated online platforms, resulting in a gradual decline in sales generated through our online distributor channel. Revenue from overseas offline distributors grew significantly from RMB73.7 million for the year ended December 31, 2023 to RMB106.2 million for the year ended December 31, 2024 and further to RMB192.4 million for the year ended December 31, 2025, mainly attributable to the continued expansion and deepening of our overseas offline distributor network, and higher sales volumes of our mid-to-high-end Z series models and the broad range of N series models designed to align with regional market needs, which benefited from our localization strategies, customized offerings for different regional markets and the growing recognition of our brand and products in overseas markets.

Revenue from overseas other channel decreased slightly from RMB0.4 million for the year ended December 31, 2023 to RMB0.2 million for the year ended December 31, 2024, and then slightly increased to RMB1.8 million for the year ended December 31, 2025, primarily due to the orders from new overseas automobile manufacturer customers for Third-Party Brand Products.

Cost of sales

During the Track Record Period, our cost of sales primarily consisted of (i) raw materials and consumables; (ii) employee benefit expenses; (iii) depreciation and amortization, including depreciation of property, plant and equipment and depreciation of right-of-use assets; (iv) net impairment losses recognized on inventories and (v) others.

The following table sets forth a breakdown of our cost of sales and their corresponding percentages of total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw materials and consumables	220,538	87.8	192,226	87.9	262,829	89.4
Employee benefit expenses	16,715	6.7	16,064	7.3	19,003	6.5
Depreciation and amortization	5,850	2.3	4,379	2.0	3,224	1.1
Net impairment losses recognized on inventories	5,883	2.3	4,311	2.0	7,918	2.7
Others	2,054	0.9	1,648	0.8	1,051	0.3
Total	**251,040**	**100.0**	**218,628**	**100.0**	**294,025**	**100.0**

Gross profit and gross profit margin

For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB143.4 million, RMB133.8 million and RMB181.6 million, respectively, and our gross profit margin was 36.4%, 38.0 % and 38.2%, respectively.

The following table sets forth our gross profit by product category and their corresponding gross profit margin for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Dash cameras	104,309	38.2	104,155	40.0	148,697	39.5
Others	39,114	32.3	29,610	32.1	32,882	33.2
Total	**143,423**	**36.4**	**133,765**	**38.0**	**181,579**	**38.2**

The following table sets forth our gross profit by sales channel and their corresponding gross profit margin for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese mainland						
Direct online sales	38,343	40.5	27,238	37.9	32,874	36.6
Distributors						
– Online distributors	28,619	34.7	23,712	36.6	16,231	30.9
– Offline distributors	13,898	31.8	7,538	34.7	4,736	24.1
Others	26,305	30.0	17,777	28.8	13,399	26.5
Subtotal	**107,165**	**34.7**	**76,265**	**34.7**	**67,240**	**31.7**
Overseas						
Direct online sales	6,741	56.2	13,124	56.9	38,960	57.6
Distributors						
– Online distributors	–	–	1,700	59.1	740	46.9
– Offline distributors	29,360	39.8	42,576	40.1	73,881	38.4
Others	157	39.6	100	43.6	758	42.8
Subtotal	**36,258**	**42.1**	**57,500**	**43.4**	**114,339**	**43.4**
Total	**143,423**	**36.4**	**133,765**	**38.0**	**181,579**	**38.2**

Other income

During the Track Record Period, our other income primarily consisted of (i) government grants; (ii) value-added tax ("**VAT**") refund mainly from intra-group software copyright licensing transactions; (iii) interest income from our bank deposits and financial assets at fair value through other comprehensive income; (iv) sales of raw materials and accessories mainly arising from the disposal of the aged inventories; (v) advertising income from advertisements embedded in our DDPAI App and (vi) maintenance income from providing product maintenance services after the expiry of the free maintenance period.

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	2,032	755	788
VAT refund	1,786	2,629	1,457
Interest income	216	262	322
Sales of raw materials and accessories	(184)	161	2,182
Advertising income	1,020	164	71
Maintenance income	25	7	5
Total	**4,895**	**3,978**	**4,825**

Other losses, net

During the Track Record Period, our other losses, net, primarily consisted of (i) investment loss on disposals of financial assets at FVTOCI; (ii) net foreign exchange gains or losses; (iii) net losses on disposals of property, plant and equipment, intangible assets, and right-of-use assets; (iv) losses on materials arising from raw material write-offs due to the termination of planned product development and sales and (v) others.

The following table sets forth a breakdown of our other losses, net, for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment loss on disposals of financial assets at FVTOCI	92	107	52
Net foreign exchange (gains)/losses	(551)	746	685
Net losses on disposal of property, plant, equipment, intangible assets, and right-of-use assets	2,364	556	83
Losses on materials	4,036	2,658	–
Others	17	70	85
Total	**5,958**	**4,137**	**905**

Net impairment losses recognized or reversed on financial assets

During the Track Record Period, our net impairment losses recognized or reversed on financial assets mainly reflected net impairment losses which were recognized or reversed on our trade and other receivables.

Our net impairment losses recognized on financial assets were RMB491 thousand for the year ended December 31, 2023, while our net impairment losses reversed on financial assets were RMB174 thousand and RMB146 thousand for the years ended December 31, 2024 and 2025, respectively.

R&D expenses

During the Track Record Period, our R&D expenses consisted of (i) employee benefit expenses, mainly representing salaries, bonuses and welfare expenses incurred for our R&D personnel; (ii) raw materials consumed in relation to the materials used in R&D activities and testing; (iii) depreciation and amortization, including depreciation of property, plant and equipment and amortization of right-of-use assets and intangible assets, mainly associated with R&D offices, laboratories, and equipment and (iv) others, primarily consisting of miscellaneous expenses.

The following table sets forth a breakdown of our R&D expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	25,878	81.9	22,292	82.8	26,754	83.3
Raw materials consumed	2,153	6.9	1,807	6.8	2,743	8.5
Depreciation and amortization	1,585	5.0	1,350	5.0	1,210	3.8
Others	1,966	6.2	1,458	5.4	1,418	4.4
Total	**31,582**	**100.0**	**26,907**	**100.0**	**32,125**	**100.0**

General and administrative expenses

During the Track Record Period, our general and administrative expenses consisted of (i) employee benefit expenses, representing salaries, bonuses, and welfare expenses incurred for administrative personnel; (ii) business entertainment, office and travel expenses, including business entertainment expenses and office and travel expenses; (iii) professional fees, including payments to professional service providers for legal, financial, and regulatory matters; (iv) tax and surcharges, including government levies and other surcharges associated with administrative operations; (v) depreciation and amortization, including depreciation of property, plant and equipment, and amortization of right-of-use assets and intangible assets, which are related to office facilities and equipment and (vi) others, primarily consisting of miscellaneous expenses.

The following table sets forth a breakdown of our general and administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	20,679	65.3	19,647	70.7	20,361	58.1
Business entertainment, office and travel expenses	4,313	13.6	2,649	9.5	3,669	10.5
Professional fees	1,247	3.9	890	3.2	5,846	16.7
Tax and surcharges	3,082	9.7	1,575	5.7	1,862	5.3
Depreciation and amortization	1,962	6.2	1,637	5.9	1,425	4.1
Others	413	1.3	1,392	5.0	1,852	5.3
Total	**31,696**	**100.0**	**27,790**	**100.0**	**35,015**	**100.0**

Selling expenses

During the Track Record Period, our selling expenses consisted of: (i) employee benefit expenses, representing salaries, bonuses and welfare expenses incurred for our sales and distribution personnel; (ii) advertising, marketing and promotion expenses, including advertising and marketing expenses; (iii) sales platform fees, representing fees charged by e-commerce platforms in relation to our sales therein; (iv) business entertainment, office and travel expenses, including business entertainment expenses and office and travel expenses; and (v) others, primarily consisting of miscellaneous expenses.

The following table sets forth a breakdown of our selling expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	20,520	36.6	21,996	41.5	24,147	31.2
Advertising, marketing and promotion expenses	17,389	31.1	14,470	27.3	24,170	31.2
Sales platform fees	9,168	16.4	9,558	18.0	21,059	27.2
Business entertainment, office and travel expenses	3,792	6.8	1,933	3.6	2,071	2.7
Others	5,128	9.1	5,073	9.6	5,963	7.7
Total	**55,997**	**100.0**	**53,030**	**100.0**	**77,410**	**100.0**

Finance costs

During the Track Record Period, our finance costs primarily consisted of (i) interest expense on bank borrowings; (ii) interest expense on other borrowings and (iii) interest expense on lease liabilities.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on bank borrowings	1,019	1,034	1,249
Interest expense on other borrowings	2,917	1,718	178
Interest expense on lease liabilities	426	554	441
Total	**4,362**	**3,306**	**1,868**

Income tax credit or expense

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for us is calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on our estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

For the year ended December 31, 2020, our Company was recognized as a high and new technology enterprise ("**HNTE**"), therefore, enjoyed a preferential income tax rate of 15% for the year ended December 31, 2020, to the year ended December 31, 2022. Our Company renewed our HNTE recognition for the years ended December 31, 2023, 2024, and 2025 and enjoyed the 15% preferential income tax rate for the years ended December 31, 2023, 2024, and 2025.

Our subsidiary, domiciled in Hong Kong, is subject to a two-tiered income tax rate for taxable income earned in Hong Kong, effectively since April 1, 2018. The first two million Hong Kong dollars of profits earned by the qualifying group entity are subject to taxation at an income tax rate of 8.25%, while the remaining profits will be taxed at 16.5%.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Our income tax credit was RMB0.4 million and RMB0.3 million, respectively, for the years ended December 31, 2023 and 2024. Our income tax expense was RMB2.6 million for the year ended December 31, 2025.

RESULTS OF OPERATIONS

Year ended December 31, 2025, compared to year ended December 31, 2024

Revenue

Our revenue increased by 35.0% from RMB352.4 million for the year ended December 31, 2024 to RMB475.6 million for the year ended December 31, 2025, primarily due to a 98.9% increase in revenue from the overseas market, from RMB132.4 million for the year ended December 31, 2024 to RMB263.3 million for the year ended December 31, 2025. Such increase was mainly attributable to our strategic focus on overseas markets, strong brand marketing and product development capabilities, and our ability to deliver competitive and differentiated products, including our mid-to-high-end Z series models and the broad range of N series models of dash cameras designed to align with regional market needs, which are increasingly recognized by overseas customers. The increase was partially offset by a decrease in revenue from the Chinese mainland market from RMB220.0 million for the year ended December 31, 2024 to RMB212.3 million for the year ended December 31, 2025, due to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets.

Revenue from the sale of dash cameras

Our revenue from dash cameras increased by 44.8% from RMB260.1 million for the year ended December 31, 2024 to RMB376.5 million for the year ended December 31, 2025. This increase was primarily attributable to the increase in our overseas sales for the same reasons mentioned above.

Revenue from the sale of others

Our revenue from others increased by 7.3% from RMB92.3 million for the year ended December 31, 2024 to RMB99.1 million for the year ended December 31, 2025 mainly due to a significant increase in the sales volume of our 4G cloud boxes, smart car screens, and vehicle-mounted peripherals such as microSD cards and step-down cables, due to purchases from our existing dash camera consumers and stronger market demand.

Cost of sales

Our cost of sales increased by 34.5% from RMB218.6 million for the year ended December 31, 2024 to RMB294.0 million for the year ended December 31, 2025, which was largely in line with our revenue increase.

Gross profit and gross profit margin

Our gross profit increased by 35.7% from RMB133.8 million for the year ended December 31, 2024 to RMB181.6 million for the year ended December 31, 2025, and was primarily due to the increase in the gross profit from dash cameras from RMB104.2 million for the year ended December 31, 2024 to RMB148.7 million for the year ended December 31, 2025.

Our gross profit margin remained relatively stable, increasing slightly from 38.0% for the year ended December 31, 2024 to 38.2% for the year ended December 31, 2025.

Other income

Our other income increased by 21.3% from RMB4.0 million for the year ended December 31, 2024 to RMB4.8 million for the year ended December 31, 2025. This increase was mainly attributable to an increase in sales of raw materials and accessories from RMB0.2 million for the year ended December 31, 2024 to RMB2.2 million for the year ended December 31, 2025, primarily due to the disposal of excessive inventory of raw materials and accessories arising from adjustments to product specifications and updated demand forecasts, in order to improve inventory turnover. The increase was partially offset by a decrease in VAT refund from RMB2.6 million for the year ended December 31, 2024 to RMB1.5 million for the year ended December 31, 2025, primarily because certain VAT refunds were not applied for on a timely basis and were deferred to subsequent periods.

Other losses, net

Our other losses, net decreased by 78.1% from RMB4.1 million for the year ended December 31, 2024 to RMB0.9 million for the year ended December 31, 2025. This decrease was primarily attributable to (i) a decrease in losses on materials from RMB2.7 million for the year ended December 31, 2024 to nil for the year ended December 31, 2025 due to the completion of disposal of raw material arising from the termination of planned product development; and (ii) the decrease in net losses on the disposal of property, plant and equipment and intangible assets from RMB0.6 million for the year ended December 31, 2024 to RMB83,000 for the year ended December 31, 2025, as we substantially completed the disposal of property, plant and equipment during the closure of our production facility in Pinghu, Zhejiang Province (the "**Pinghu Facility**") in 2024 and only disposed of a limited number of equipment in 2025.

Net impairment losses recognized or reversed on financial assets

Our net impairment losses reversed on financial assets remained relatively stable at RMB174 thousand for the year ended December 31, 2024 and RMB146 thousand for the year ended December 31, 2025.

R&D expenses

Our R&D expenses increased by 19.4% from RMB26.9 million for the year ended December 31, 2024 to RMB32.1 million for the year ended December 31, 2025, primarily due to an increase in employee benefit expenses from RMB22.3 million for the year ended December 31, 2024 to RMB26.8 million for the year ended December 31, 2025, mainly resulting from headcount growth of our R&D team to transform to platform-based product development.

General and administrative expenses

Our general and administrative expenses increased by 26.0% from RMB27.8 million for the year ended December 31, 2024 to RMB35.0 million for the year ended December 31, 2025, primarily because of (i) an increase in our professional fee from RMB0.9 million for the year ended December 31, 2024 to RMB5.8 million for the year ended December 31, 2025, which was primarily related to the **[REDACTED]**, and (ii) an increase in business entertainment, office and travel expenses from RMB2.6 million for the year ended December 31, 2024 to RMB3.7 million for the year ended December 31, 2025 to support our growing business scale.

Selling expenses

Our selling expenses increased by 46.0% from RMB53.0 million for the year ended December 31, 2024 to RMB77.4 million for the year ended December 31, 2025. This increase was primarily attributable to (i) an increase in advertising, marketing and promotion expenses from RMB14.5 million for the year ended December 31, 2024 to RMB24.2 million for the year ended December 31, 2025, driven by increased marketing and e-commerce platform promotional spending in both domestic and overseas markets; and (ii) an increase in platform services fees from RMB9.6 million for the year ended December 31, 2024 to RMB21.1 million for the year ended December 31, 2025, mainly due to the rapid expansion of our direct online sales in overseas markets, where sales platform fees were generally higher than those in the domestic markets.

Finance costs

Our finance costs decreased by 43.5% from RMB3.3 million for the year ended December 31, 2024 to RMB1.9 million for the year ended December 31, 2025. This decrease was primarily attributable to a reduction in interest expense on other borrowings from RMB1.7 million for the year ended December 31, 2024 to RMB0.2 million for the year ended December 31, 2025, mainly as a result of the repayment of other borrowings.

Income tax expense

Our income tax credit was RMB0.3 million for the year ended December 31, 2024 and our income tax expense was RMB2.6 million for the year ended December 31, 2025, primarily because of the increased taxable income for the year ended December 31, 2025.

Profit for the year

As a result, our profit for the year increased by 59.2% from RMB23.0 million for the year ended December 31, 2024 to RMB36.6 million for the year ended December 31, 2025.

Year ended December 31, 2024, compared to year ended December 31, 2023

Revenue

Our revenue decreased by 10.7% from RMB394.5 million for the year ended December 31, 2023 to RMB352.4 million for the year ended December 31, 2024, primarily due to a decrease in revenue from the Chinese mainland market from RMB308.4 million for the year ended December 31, 2023 to RMB220.0 million for the year ended December 31, 2024. The decrease was mainly attributable to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets, where intensified competition further compressed margins, which was partially offset by the increase in revenue from overseas market from RMB86.1 million for the year ended December 31, 2023 to RMB132.4 million for the year ended December 31, 2024 as we strategically developed overseas sales.

Revenue from the sale of dash cameras

Our revenue from the sales of dash cameras decreased by 4.8% from RMB273.3 million for the year ended December 31, 2023 to RMB260.1 million for the year ended December 31, 2024. This decrease was primarily attributable to the decrease in revenue from the Chinese mainland market for the same reasons mentioned above.

Revenue from the sale of others

Our revenue from the sales of others decreased by 23.8% from RMB121.2 million for the year ended December 31, 2023 to RMB92.3 million for the year ended December 31, 2024, mainly due to the decrease in revenue from our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets.

Cost of sales

Our cost of sales decreased by 12.9% from RMB251.0 million for the year ended December 31, 2023 to RMB218.6 million for the year ended December 31, 2024, which was in line with our revenue decrease.

Gross profit and gross profit margin

Our gross profit decreased by 6.7% from RMB143.4 million for the year ended December 31, 2023 to RMB133.8 million for the year ended December 31, 2024, and was primarily due to the decrease in the gross profit from others from RMB39.1 million for the year ended December 31, 2023 to RMB29.6 million for the year ended December 31, 2024 due to our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets.

Our gross profit margin increased from 36.4% for the year ended December 31, 2023 to 38.0% for the year ended December 31, 2024, primarily due to (i) optimization of our product pricing structure, driven by higher sales volumes of high-margin products in the overseas markets; (ii) our strategic reduction in sales of low-margin Third-Party Brand Products in domestic markets; and (iii) ongoing unit cost reduction and efficiency improvements, including standardizing product components to reduce procurement complexity and cost, increasing purchase scale to lower per-unit raw material costs and implementing waste-reduction initiatives throughout our production processes.

Other income

Our other income decreased by 18.7% from RMB4.9 million for the year ended December 31, 2023 to RMB4.0 million for the year ended December 31, 2024. This decrease was primarily attributable to (i) a decrease in government grants from RMB2.0 million for the year ended December 31, 2023 to RMB0.8 million for the year ended December 31, 2024, as certain government grants we received in 2023 were one-off in nature, including subsidies granted based on our recognition as a Specialized, Sophisticated, Distinctive and Innovative Small and Medium-sized Enterprise （專精特新中小企業） in 2022 and (ii) a decrease in advertising income from RMB1.0 million for the year ended December 31, 2023 to RMB0.2 million for the year ended December 31, 2024, as we gradually discontinued advertisements embedded in our DDPAI App, to enhance user experience. This decrease was partially offset by an increase in VAT refund from RMB1.8 million for the year ended December 31, 2023 to RMB2.6 million for the year ended December 31, 2024 mainly due to additional VAT refunds arising from the addition of license fees for software embedded in our products.

Other losses, net

Our other losses, net decreased by 30.6% from RMB6.0 million for the year ended December 31, 2023 to RMB4.1 million for the year ended December 31, 2024, which was primarily attributable to (i) a decrease in net losses on disposal of property, plant and equipment and intangible assets from RMB2.4 million for the year ended December 31, 2023 to RMB0.6 million for the year ended December 31, 2024 as we substantially completed the disposal of property, plant and equipment during the closure of our Pinghu Facility in 2024 and (ii) a decrease in losses for materials from RMB4.0 million for the year ended December 31, 2023 to RMB2.7 million for the year ended December 31, 2024 due to the gradual disposal of raw material arising from the termination of planned product development.

Net impairment losses recognized or reversed on financial assets

Our net impairment losses on financial assets changed from a recognized loss of RMB491 thousand for the year ended December 31, 2023 to a reversal of RMB174 thousand for the year ended December 31, 2024. This reversal was primarily attributable to the decrease in the balance of our trade receivables.

R&D expenses

Our R&D expenses decreased by 14.8% from RMB31.6 million for the year ended December 31, 2023 to RMB26.9 million for the year ended December 31, 2024, primarily due to a decrease in employee benefit expenses from RMB25.9 million for the year ended December 31, 2023 to RMB22.3 million for the year ended December 31, 2024, mainly resulting from headcount adjustments of our R&D team due to completion of R&D projects.

General and administrative expenses

Our general and administrative expenses decreased by 12.3% from RMB31.7 million for the year ended December 31, 2023 to RMB27.8 million for the year ended December 31, 2024. This decrease was primarily attributable to (i) a decrease in business entertainment and travel expenses from RMB4.3 million for the year ended December 31, 2023 to RMB2.6 million for the year ended December 31, 2024 and (ii) a decrease in tax and surcharges from RMB3.1 million for the year ended December 31, 2023 to RMB1.6 million for the year ended December 31, 2024, both of which were in line with the change of our business scale.

Selling expenses

Our selling expenses decreased by 5.3% from RMB56.0 million for the year ended December 31, 2023 to RMB53.0 million for the year ended December 31, 2024, This decrease was primarily attributable to (i) a decrease in advertising and promotion expenses from RMB17.4 million for the year ended December 31, 2023 to RMB14.5 million for the year ended December 31, 2024; and (ii) a decrease in business entertainment, office and travel expenses from RMB3.8 million for the year ended December 31, 2023 to RMB1.9 million for the year ended December 31, 2024, both of which were in line with the decrease in our revenue.

Finance costs

Our finance costs decreased by 24.2% from RMB4.4 million for the year ended December 31, 2023 to RMB3.3 million for the year ended December 31, 2024. which was primarily due to a decrease in interest expense on other borrowings from RMB2.9 million for the year ended December 31, 2023 to RMB1.7 million for the year ended December 31, 2024, mainly because of the repayment of other borrowings.

Income tax credit

Our income tax credit decreased by 36.5% from RMB0.4 million for the year ended December 31, 2023 to RMB0.3 million for the year ended December 31, 2024. This change was primarily attributable to the increase in profit before tax, partially offset by the decrease in non-deductible expenses.

Profit for the year

As a result, our profit for the year increased by 23.5% from RMB18.6 million for the year ended December 31, 2023 to RMB23.0 million for the year ended December 31, 2024.

DESCRIPTION OF MAJOR LINE ITEMS IN OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the accountants' report set out in Appendix I to this document:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	196,020	183,734	256,227
Total non-current assets	41,595	41,841	35,634
Total assets	**237,615**	**225,575**	**291,861**
Total current liabilities	163,342	156,432	207,145
Total non-current liabilities	39,754	21,654	7,035
Total liabilities	**203,096**	**178,086**	**214,180**
Net current assets	**32,678**	**27,302**	**49,082**
Net assets	**34,519**	**47,489**	**77,681**
Share capital	20,610	20,610	20,610
Other reserves	22,162	14,395	10,187
(Accumulated losses)/retained earnings	(8,253)	12,484	46,884
Total equity	**34,519**	**47,489**	**77,681**

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)
Current assets				
Inventories	105,039	84,984	120,491	142,129
Trade receivables	34,282	18,771	16,320	17,712
Prepayments, other receivables and other assets	25,299	28,891	36,569	28,917
Financial assets at fair value through other comprehensive income	4,000	4,219	10,194	667
Cash and cash equivalents	27,400	46,869	72,653	52,359
Total current assets	**196,020**	**183,734**	**256,227**	**241,784**
Current liabilities				
Trade payables	95,596	80,070	126,460	102,548
Other payables and accruals	32,545	23,208	30,147	14,613
Contract liabilities	3,442	2,910	4,831	4,731
Borrowings	26,026	45,335	41,231	41,044
Provisions	1,640	2,024	1,420	1,935
Lease liabilities	4,083	2,885	3,009	3,115
Income tax payable	10	–	47	11
Total current liabilities	**163,342**	**156,432**	**207,145**	**167,997**
Net current assets	**32,678**	**27,302**	**49,082**	**73,787**

Our net current assets increased by 50.3% from RMB49.1 million as of December 31, 2025 to RMB73.8 million as of April 30, 2026. This increase was primarily due to (i) an increase in inventories of RMB21.6 million, which reflected the expansion of our sales scale, and (ii) a decrease in trade payables of RMB23.9 million due to the settlement of outstanding payments to suppliers. This was partially offset by a decrease in cash and cash equivalents of RMB20.3 million, primarily attributable to increased operating expenditures to support our continued business expansion.

Our net current assets increased by 79.8% from RMB27.3 million as of December 31, 2024 to RMB49.1 million as of December 31, 2025. This increase was primarily due to (i) an increase in inventories of RMB35.5 million and (ii) an increase in cash and cash equivalents of RMB25.8 million, both of which reflected the expansion of our sales scale and revenue during the year. This was partially offset by an increase in trade payables of RMB46.4 million, which rose in line with higher procurement amounts to support the increased sales volume.

Our net current assets decreased by 16.5% from RMB32.7 million as of December 31, 2023 to RMB27.3 million as of December 31, 2024. This decrease was primarily attributable to (i) a decrease in inventories of RMB20.1 million mainly due to our decreased sales volume and (ii) a decrease in trade receivables of RMB15.5 million, reflecting reduced sales of Third-Party Brand Products in domestic markets.

Property, plant and equipment

Our property, plant and equipment primarily consisted of (i) mold; (ii) machinery; (iii) leasehold improvement; and (iv) office equipment and others.

The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Mold	2,774	1,387	1,865
Machinery	4,649	3,865	3,597
Leasehold improvement	1,663	4,341	3,257
Office equipment and others	3,706	2,631	2,470
Total	**12,792**	**12,224**	**11,189**

Our property, plant and equipment were RMB12.8 million as of December 31, 2023 and RMB12.2 million as of December 31, 2024, and remained relatively stable. Our property, plant, and equipment further decreased by 8.5% from RMB12.2 million as of December 31, 2024 to RMB11.2 million as of December 31, 2025, primarily attributable to the continued depreciation of property, plant and equipment.

Right-of-use assets

Our right-of-use assets consisted of properties leased for our own use, primarily as offices and production facilities. Our right-of-use assets increased by 14.2% from RMB9.3 million as of December 31, 2023 to RMB10.6 million as of December 31, 2024, primarily due to recognition of new right-of-use assets arising from the lease agreements of our relocated production facility in Dongguan, Guangdong Province (the "**Dongguan Facility**"). Our right-of-use assets decreased by 26.9% from RMB10.6 million as of December 31, 2024 to RMB7.8 million as of December 31, 2025, and was primarily due to depreciation charged during the year.

Inventories

Our inventories primarily consisted of (i) raw materials, (ii) work in progress, and (iii) finished goods.

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	33,885	24,251	32,117
Work in progress	18,446	7,891	14,041
Finished goods	63,398	62,409	84,117
Sub-total	**115,729**	**94,551**	**130,275**
Less: provision for impairment	(10,690)	(9,567)	(9,784)
Total	**105,039**	**84,984**	**120,491**

Our inventories decreased by 19.1% from RMB105.0 million as of December 31, 2023 to RMB85.0 million as of December 31, 2024, primarily due to the decrease in raw materials and work in progress, which was consistent with our sales volume trend. Our inventories increased by 41.8% from RMB85.0 million as of December 31, 2024 to RMB120.5 million as of December 31, 2025, primarily due to the expansion of sales scale.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
0-365 days	96,418	78,057	108,512
More than 365 days	8,621	6,927	11,979
Total	**105,039**	**84,984**	**120,491**

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days	172	176	140

Note: Inventory turnover days are calculated by dividing the average of the opening and closing balance of inventories by cost of sales and multiplying by 365 days.

Our average inventory turnover days were 172 days, 176 days, and 140 days for the years ended December 31, 2023, 2024, and 2025, respectively. Our inventory turnover days decreased significantly from 172 days for the year ended December 31, 2023 to 140 days for the year ended December 31, 2025, primarily due to (i) the optimization of finished goods delivery cycles within our supply chain; and (ii) decreased sales of Third-Party Brand Products to domestic automobile manufacturers, which enhanced our inventory turnover.

As of April 30, 2026, RMB120.4 million, or 92.5% of our inventories as of December 31, 2025 had been utilized or sold.

Trade receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	36,383	20,838	18,093
Less: allowance for impairment	(2,101)	(2,067)	(1,773)
Total	**34,282**	**18,771**	**16,320**

Our trade receivables decreased by 45.2% from RMB34.3 million as of December 31, 2023 to RMB18.8 million as of December 31, 2024, and further decreased by 13.1% to RMB16.3 million as of December 31, 2025, primarily due to reduced sales to domestic automobile manufacturers, which generally require longer credit terms.

For trade receivables, we applied a simplified approach in calculating ECL and recognized a loss allowance based on lifetime ECL at the end of each year for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, we have established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment. To measure the ECL, except for trade receivables with significant outstanding balances which are assessed individually, the remaining trade receivables have been grouped based on shared credit risk characteristics.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	31,659	18,531	16,193
Over 1 year but within 2 years	3,081	406	199
Over 2 years but within 3 years	59	271	40
Over 3 years but within 4 years	201	57	51
Over 4 years	1,383	1,573	1,610
Total	**36,383**	**20,838**	**18,093**

The following table sets forth the trade receivables turnover days for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Trade receivables turnover days	27	30	15

Note: Trade receivables turnover days are calculated by dividing the average of the opening and closing balance of trade receivables by revenue and multiplying by 365 days.

Our average trade receivables turnover days were 27 days, 30 days, and 15 days for the years ended December 31, 2023, 2024, and 2025, respectively. Our trade receivables turnover days remained relatively stable from the year ended December 31, 2023 to the year ended December 31, 2024. They decreased to 15 days for the year ended December 31, 2025, mainly due to a decline in trade receivables, driven by (i) significant growth in our overseas offline distributor business, where most customers typically settled payments upfront, and (ii) a further reduction in sales to automobile manufacturers, which generally require longer credit terms.

As of April 30, 2026, RMB16.0 million, or 88.3% of our trade receivables as of December 31, 2025 was settled.

Prepayments, other receivables and other assets

The prepayments, other receivables and other assets primarily consisted of (i) others receivables including deposits receivables, amounts due from related parties, and others; (ii) VAT recoverable; (iii) prepayments for materials and services and others; (iv) prepayments for acquisition of property, plant and equipment; and (v) deferred **[REDACTED]** expenses.

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of property, plant and equipment	1,251	13	497
Current			
Other receivables			
– Amounts due from related parties	2,189	9,929	–
– Deposits receivables	3,550	2,753	3,051
– Others	2,337	2,164	2,661
Less: allowance for impairment	(992)	(852)	(1,000)
	7,084	**13,994**	**4,712**
VAT recoverable	15,996	12,885	18,898
Prepayments for materials and services	2,178	1,935	11,692
Deferred **[REDACTED]** expenses	–	–	945
Other prepayments	41	77	322
Sub-total	**25,299**	**28,891**	**36,569**
Total	**26,550**	**28,904**	**37,066**

Our prepayments, other receivables and other assets increased by 8.9% from RMB26.6 million as of December 31, 2023 to RMB28.9 million as of December 31, 2024 mainly due to an increase in amounts due from related parties of RMB7.7 million. The increase was partially offset by (i) a decrease in VAT recoverable of RMB3.1 million, as more input VAT was settled during the year and (ii) a decrease in prepayments for acquisition of property, plant and equipment of RMB1.2 million due to the settlement of the prepayment balance for the renovation of our Dongguan Facility in 2023.

Our prepayments, other receivables and other assets increased by 28.2% from RMB28.9 million as of December 31, 2024 to RMB37.1 million as of December 31, 2025 primarily due to (i) an increase in VAT recoverable of RMB6.0 million, driven by higher input VAT arising from increased purchases to support overseas business growth and inventory buildup; and (ii) an increase in prepayments for materials and services of RMB9.8 million due to partly due to the shortage of chips and increase in chip prices, in response to which we make advance payments to our suppliers to lock in supply for our three to six month chip inventory needs amid chip shortages and price volatility.

Financial assets at fair value through other comprehensive income

Our financial assets at FVTOCI primarily consisted of notes receivable measured at FVTOCI. Our financial assets at FVTOCI increased by 5.5% from RMB4.0 million as of December 31, 2023 to RMB4.2 million as of December 31, 2024, and further increased by 141.6% to RMB10.2 million as of December 31, 2025, primarily due to our liquidity management to apply working capital on financial assets with interest income/the accumulation of notes receivable because we generally settled with our suppliers through note receivables, whereas more and more suppliers of key raw materials, such as chips, required advance cash payments in 2025.

Cash and cash equivalents

We had cash and cash equivalents of RMB27.4 million, RMB46.9 million and RMB72.7 million as of December 31, 2023, 2024 and 2025, respectively. For details, see "— Liquidity and capital resources" in this section.

Trade payables

Our trade payables primarily related to balances due to our suppliers of raw materials. Our trade payables decreased by 16.2% from RMB95.6 million as of December 31, 2023 to RMB80.1 million as of December 31, 2024, and increased by 57.9% to RMB126.5 million as of December 31, 2025, the movement of which was in line with the changes in our inventory.

During the Track Record Period, our suppliers generally granted us a credit period within 120 days. The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
– Within 1 year	94,577	74,522	125,651
– Over 1 year but within 2 years	692	5,009	15
– Over 2 years but within 3 years	205	213	712
– Over 3 years	122	326	82
Total	**95,596**	**80,070**	**126,460**

The following table sets forth the trade payables turnover days for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade payables turnover days	112	147	128

Note: Trade payables turnover days are calculated by dividing the average of the opening and closing balance of trade payables by cost of sales and multiplying by 365 days.

Our trade payables turnover days were 112 days, 147 days and 128 days for the years ended December 31, 2023, 2024 and 2025, respectively. Our trade payables turnover days increased from 112 days for the year ended December 31, 2023 to 147 days for the year ended December 31, 2024, primarily due to the decrease in sales during 2024. Our trade payables turnover days then decreased to 128 days for the year ended December 31, 2025, primarily due to the increase in sales during 2025.

As of April 30, 2026, RMB112.2 million, or 88.7% of our trade payables as of December 31, 2025 was settled.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

The following table sets forth selected cash flows data from our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows generated from operating activities	50,068	51,228	46,946
Net cash flows (used in)/generated from investing activities	(9,984)	(12,084)	6,777
Net cash flows used in financing activities	(39,442)	(18,744)	(27,239)
Net increase in cash and cash equivalents	642	20,400	26,484
Cash and cash equivalents at beginning of the year	26,114	27,400	46,869
Effects of foreign exchange rate changes	644	(931)	(700)
Cash and cash equivalents at end of the year	**27,400**	**46,869**	**72,653**

Net cash flows generated from operating activities

Our cash generated from operations represents profit or loss before taxation adjusted for (i) certain non-cash or non-operating activities related items, (ii) the effect of changes in working capital, such as changes in trade and notes receivables, prepayments, other receivables and other assets, inventories and trade and other payables, and (iii) income tax paid.

For the year ended December 31, 2025, we had net cash generated from operating activities of RMB46.9 million, resulting from our profit before income tax of RMB39.2 million, adjusted by non-cash items, primarily comprising depreciation of property, plant and equipment of RMB3.5 million, depreciation of right-of-use assets of RMB2.9 million, amortization of intangible assets of RMB0.3 million and net impairment losses recognized on inventories of RMB7.9 million, and negative movements in working capital primarily reflected by an increase in inventories of RMB43.4 million, an increase in prepayments, other receivables and other assets of RMB16.1 million, partially offset by an increase in trade payables of RMB46.4 million.

For the year ended December 31, 2024, we had net cash generated from operating activities of RMB51.2 million, which primarily represented our profit before income tax of RMB22.7 million, adjusted by non-cash items, primarily comprising depreciation of property, plant and equipment of RMB4.8 million, depreciation of right-of-use assets of RMB3.1 million, amortization of intangible assets of RMB0.3 million, net impairment losses recognized on inventories of RMB4.3 million and finance cost of RMB3.3 million, and positive movements in working capital primarily reflected by a decrease in trade receivables of RMB15.5 million and a decrease in inventories of RMB15.7 million, partially offset by a decrease in trade payables of RMB15.5 million.

For the year ended December 31, 2023, we had net cash generated from operating activities of RMB50.1 million, resulting from our profit before income tax of RMB18.2 million, adjusted by non-cash items, primarily comprising depreciation of property, plant and equipment of RMB5.5 million, depreciation of right-of-use assets of RMB4.5 million, amortization of intangible assets of RMB0.3 million, net impairment losses recognized on inventories of RMB5.9 million and finance cost of RMB4.4 million, and positive movements in working capital primarily reflected by an increase in trade payables of RMB36.1 million.

Net cash flows (used in)/ generated from investing activities

For the year ended December 31, 2025, we had net cash generated from investing activities of RMB6.8 million, primarily due to proceeds from repayment of advances to related parties of RMB19.2 million, partially offset by purchase of property, plant and equipment and intangible assets of RMB3.2 million and payment for advances to a related party of RMB9.2 million.

For the year ended December 31, 2024, we had net cash used in investing activities of RMB12.1 million, primarily due to payment of repayment of advances to a related party of RMB8.9 million and purchases of property, plant and equipment and intangible assets of RMB5.4 million.

For the year ended December 31, 2023, we had net cash used in investing activities of RMB10.0 million, primarily due to purchases of property, plant and equipment and intangible assets of RMB10.2 million.

Net cash flows used in financing activities

For the year ended December 31, 2025, we had net cash used in financing activities of RMB27.2 million, primarily due to repayment of bank and other borrowings of RMB84.6 million and payment of repurchase of shares of RMB6.4 million, partially offset by proceeds from bank borrowings of RMB70.5 million.

For the year ended December 31, 2024, we had net cash used in financing activities of RMB18.7 million, primarily due to repayment of bank and other borrowings of RMB64.8 million and payment of repurchase of shares of RMB10.0 million, partially offset by proceeds from bank borrowings of RMB64.1 million.

For the year ended December 31, 2023, we had net cash used in financing activities of RMB39.4 million, primarily due to repayment of bank and other borrowings of RMB71.2 million and principal elements and interest elements of lease payments of RMB4.6 million, partially offset by proceeds from bank borrowings of RMB40.8 million.

Working capital sufficiency

Our liquidity and capital resource needs over the next 12 months primarily relate to working capital requirements, including inventory build-up to support the continued expansion of our overseas market, and capital expenditures for office expansion and production line upgrades. We believe our liquidity requirements will be satisfied by a combination of cash flow generated from operating activities, our existing cash and cash equivalents, and the **[REDACTED]** from the **[REDACTED]**. As of April 30, 2026, we had cash and cash equivalents of RMB52.4 million. After taking into consideration the above financial resources available to us, and in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of publication of this document.

Our ability to obtain additional funding beyond our anticipated cash needs for the next 12 months following the date of this document, however, is subject to a variety of uncertainties, including our future results of operations, our future business plans, financial condition and cash flows, and economic, political and other conditions in the markets where we and our customers and lenders operate.

INDEBTEDNESS

During the Track Record Period, our indebtedness primarily comprised of borrowings, and lease liabilities. As of December 31, 2023, 2024 and 2025 and April 30, 2026, except as disclosed below, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, acceptance credits, hire purchase commitments, any guarantees or other material contingent liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			**As of April 30,**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)
Non-current				
Borrowings	33,932	11,609	–	–
Lease liabilities	5,822	8,845	5,835	4,779
Current				
Borrowings	26,026	45,335	41,231	41,044
Lease liabilities	4,083	2,885	3,009	3,115
Total	**69,863**	**68,674**	**50,075**	**48,938**

Borrowings

Our borrowings decreased by 5.0% from RMB60.0 million as of December 31, 2023 to RMB56.9 million as of December 31, 2024, and further decreased by 27.6% to RMB41.2 million as of December 31, 2025, primarily due to repayments.

The following table sets forth our borrowings as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Short-term bank borrowings			
– Unsecured and unguaranteed	–	2,800	–
– Unsecured and guaranteed	21,022	31,524	15,511
– Secured and guaranteed	5,004	11,011	25,720
Sub-total	**26,026**	**45,335**	**41,231**
Long-term other borrowings			
– Unsecured and unguaranteed	33,932	11,609	-
Total	**59,958**	**56,944**	**41,231**

The annual interest rate of our borrowings ranged from 2.80% to 3.80% as of December 31, 2023, from 2.85% to 3.50% as of December 31, 2024 and from 2.50% to 3.10% as of December 31, 2025.

As of April 30, 2026, we had unutilized banking facilities of RMB37.5 million.

Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing as of the Latest Practicable Date. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans, other borrowings, trade and non-trade payables or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank borrowings in the future.

Lease liabilities

During the Track Record Period, our lease liabilities were mainly related to the offices and production facilities we leased for business operations. Our lease liabilities increased by 18.4% from RMB9.9 million as of December 31, 2023 to RMB11.7 million as of December 31, 2024, primarily due to relocation of our Dongguan Facility. Our lease liabilities decreased by 24.6% from RMB11.7 million as of December 31, 2024 to RMB8.8 million as of December 31, 2025, primarily due to lease payment made during the year.

Save as disclosed above, our Directors confirm that, as of the Latest Practicable Date, there has been no material change in our indebtedness or financial position since December 31, 2025.

CONTINGENT LIABILITIES

We did not have any contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL COMMITMENTS AND CAPITAL EXPENDITURE

Capital Commitments

As of December 31, 2023, 2024 and 2025, we had no material commitments contracted but not provided for in the historical financial information.

Capital Expenditure

For the years ended December 31, 2023, 2024, and 2025, our capital expenditure amounted to RMB10.2 million, RMB5.4 million, and RMB3.2 million, respectively.

Our capital expenditure during the Track Record Period mainly represented purchases of items of property, plant and equipment to enhance our production capabilities, expand capacity, and upgrade existing equipment. We intend to fund our planned capital expenditure through a combination of cash generated from operating activities and the **[REDACTED]** from the **[REDACTED]**.

Our actual capital expenditures may differ from the amounts set forth above because of various factors, including our future cash flows, results of operations and financial condition, economic conditions in the market and changes in the regulatory environment. In addition, we may incur additional capital expenditure from time to time as we pursue new opportunities to expand our business.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We entered into transactions with related parties during the Track Record Period. For more details about our related party transactions, see Note 31 to the Accountants' Report in Appendix I to this document.

Our Directors are of the view that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, with normal commercial terms between the relevant parties and would not distort our results of operations or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

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

	As of/ Year ended December 31,		
	2023	2024	2025
Gross profit margin (1) (%)	36.4	38.0	38.2
Net profit margin (2) (%)	4.7	6.5	7.7
Quick ratio (3) (Times)	0.6	0.6	0.7
Gearing ratio (4) (%)	202.4	144.6	64.5
Current ratio (5) (Times)	1.2	1.2	1.2

Notes:

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

(2) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.

(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(4) Gearing ratio is calculated based on total indebtedness (including borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by total current liabilities.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

We are exposed to various types of financial risks in the ordinary course of business, including foreign currency, interest rate, price, credit and liquidity risks. Our overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 34 to the Accountants' Report in Appendix I to this document for further details.

DIVIDEND

No dividend has been paid or declared by our Company during the Track Record Period. We currently do not have a formal dividend policy or a fixed dividend payout ratio. Any future determination to declare and pay any dividends will be at the discretion of our Board subject to our Articles of Association and the PRC Company Law, and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to our Shareholders' approval.

As confirmed by our PRC Legal Adviser, according to the PRC law, 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.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our retained earnings amounted to RMB44.5 million, which represented our distributable reserves as of the same date.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document for further details.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We expect to incur total **[REDACTED]** expenses of HK$**[REDACTED]** million (assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range), representing **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]** assuming no H Shares are issued pursuant to the **[REDACTED]**. The total **[REDACTED]** expenses consist of (i) HK$**[REDACTED]** million **[REDACTED]** related expenses (including **[REDACTED]** commissions, SFC transaction levy, Stock Exchange **[REDACTED]** fees and AFRC transaction levy); and (ii) HK$**[REDACTED]** million non-**[REDACTED]** related expenses (including (a) fees and expenses of legal advisers and reporting accountants of HK$**[REDACTED]** million; and (b) other fees and expenses of HK$**[REDACTED]** million). During the Track Record Period, we incurred **[REDACTED]** expenses of HK$**[REDACTED]** million, HK$**[REDACTED]** million of which was charged to our consolidated statements of comprehensive income, and HK$**[REDACTED]** million of which was attributable to the **[REDACTED]** of H Shares and will be deducted from equity upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of HK$**[REDACTED]** million after the Track Record Period, HK$**[REDACTED]** million of which is expected to be charged to our consolidated statements of comprehensive income, and HK$**[REDACTED]** million of which is attributable to the **[REDACTED]** of H Shares and will be deducted from equity upon the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

See "Summary – Recent developments and no material adverse change" for our recent developments that occurred subsequent to the Track Record Period.

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

EVENTS AFTER THE TRACK RECORD PERIOD

See Note 38 to the Accountants' Report in Appendix I to this prospectus for further details.

FUTURE PLANS

See "Business – Our strategies" for a detailed description of our future plans and strategies.

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** range of the indicative **[REDACTED]** stated in this document), we estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting the **[REDACTED]** commissions, fees and other estimated expenses payable by us in connection with the **[REDACTED]**. We intend to use the **[REDACTED]** for the purposes and in the amounts set out below:

- Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to the technology R&D and product innovation. This allocation will support our strategic transition from pure hardware sales toward an AI-empowered smart mobility ecosystem, including the expansion of our product and service capabilities from in-vehicle scenarios to broader pan-mobility coverage and the evolution toward AI-driven interactive services. These investments will strengthen the technological foundations required for the continuing development of our "AI mobility camera" category, the enhancement of our edge-cloud system for device connectivity and data processing, and the expansion of our scenario-based smart mobility offerings. To support the sustained development and commercialization of these offerings, we will further enhance the capabilities of our πOS software platform, πChips hardware platform, and πLens imaging platform. These platforms form the technological foundation enabling our next-generation AI mobility cameras and supporting the ongoing development of products and services that enhance driving safety, creative expression and intelligent mobility experiences across the "mobile third space." In particular:

  – Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to the continued development of our πOS software platform, including iterative upgrades to our DDPAI App and cloud service architecture, the development of modules for AI-based video analysis, editing, multi-modal interaction, and subscription-based user services, and the build-out of foundational capabilities to support the future incorporation of AI Agent-enabled interactions and services in our products. To support these platform enhancements, this allocation will also cover the required engineering resources, AI-server deployment, and data-infrastructure build-out. These investments will further strengthen the role of our πOS software platform as the core system supporting device connectivity, data processing, and intelligent user interactions.

  – Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to the advancement of our πChips hardware platform, and πLens imaging platform, including the iterative optimization of our edge-side video AI chips, image processing algorithms, connectivity solutions, storage architectures, and low-power system designs. To support these platform upgrades, this allocation will also cover the required engineering resources and laboratory infrastructure. These investments will reinforce the capabilities of our πChips hardware platform and πLens imaging platform, enabling more accurate perception, higher-quality imaging, and more efficient on-device AI processing across diverse mobility scenarios, and supporting the technological foundation required for our next-generation AI mobility cameras.

  - Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to the development of our AI mobility camera product lines, which cover a range of devices designed for different user scenarios within the "mobile third space", including increasing new-product R&D spending, as well as adding product managers and product-line R&D staff to strengthen our development capacity. Building on our advancements in AI-based smart imaging, multi-modal perception, and multi-camera fusion technologies, we plan to introduce products that offer more accurate scene understanding, more immersive multi-view recording experiences, and more intuitive mobility-related interactions. These products will be developed to address global users' needs for driving safety, high-quality content recording and sharing, and seamless everyday usage across diverse mobility scenarios. These investments will support the introduction of scenario-based devices, accessories, and cloud-based value-added services, forming an integrated product and service ecosystem that responds to the evolving demands of users throughout the mobility lifecycle.

- Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to strengthening our overseas brand presence and expanding our global sales network, with a particular focus on increasing market penetration in developed markets such as Europe and North America. Through continuing investment in brand building and diversified sales channel development, we aim to deepen our global marketing system and drive sustained sales growth. In particular:

  - Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to enhancing our self-operated stores on major domestic and overseas e-commerce platforms and official website, improving their roles as core user touchpoints for product display, user acquisition, and after-sales services, as well as increasing advertising investment within these stores and expanding independent-site development to support stronger user acquisition across our online channels. We also plan to strengthen our global sales channel network, including expanding distributor partnerships and enhancing our retail presence in key overseas markets through collaborative marketing and promotional initiatives with offline retail stores. These efforts will support the establishment of a more resilient and scalable global sales infrastructure and enhance our ability to serve users across different regions.

  - Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to global brand-building initiatives, including targeted advertising campaign in key markets through expanded media placements and refined audience targeting, collaborations with leading influencers and content IP owners to more precisely reach users, youth-oriented brand campaigns aimed at strengthening our resonance with younger consumer groups, and the development of user communities. We also plan to actively participate in industry summits, professional exhibitions, and technical seminars, and to host product launch events, all aimed at showcasing our product advantages and enhancing our brand recognition.

- Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) is expected to be allocated to enhancing our AI-enabled enterprise digitalization capabilities, with a view to establishing a unified data infrastructure and strengthening cross-functional collaboration. The planned investments include the upgrade and integration of our core business systems to support unified omni-channel order management, improved customer insights and more precise marketing decision-making. These initiatives will also advance AI-enabled, data-driven operations across our R&D, production and supply-chain functions, enabling more effective product planning, intelligent production scheduling, predictive maintenance, and the optimization of inventory and transportation planning. In addition, we intend to strengthen our financial digitalization capabilities by improving the intelligence level of our accounting, forecasting and risk-management processes. Through these investments, we aim to facilitate the integrated application of AI-enabled operational and analytical capabilities across our R&D, production, supply-chain, marketing and financial functions, thereby improving our overall operational efficiency.

- Approximately **[REDACTED]**% (or HK$**[REDACTED]** million) will be used for working capital and general corporate purposes.

If the **[REDACTED]** is set at the high point or the low point of the **[REDACTED]** range (assuming the **[REDACTED]** is not exercised), the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** million (after deducting the **[REDACTED]** commissions, fees and other estimated expenses payable by us in relation to the **[REDACTED]**). We intend to apply the additional or reduced **[REDACTED]** to the above purposes on a pro-rata basis.

If the **[REDACTED]** is fully exercised, we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]** range, and after deducting the **[REDACTED]** commissions, fees and other estimated expenses payable by us in relation to the **[REDACTED]**. The additional amount raised will be applied to the above areas of use of **[REDACTED]** on a pro-rata basis.

If the **[REDACTED]** of the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit the **[REDACTED]** from the **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions in Hong Kong or the PRC (as defined under the SFO) in circumstances permitted by relevant laws and regulations.

We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report set out on pages I-[1] to I-[62], received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

容诚 | RCHK

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DDPAI TECHNOLOGY CO., LTD., AND CEB INTERNATIONAL CAPITAL CORPORATION LIMITED

Introduction

We report on the historical financial information of DDPai Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[62], 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 comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 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 page I-[3] to I-[62] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 presentation and preparation set out in Note 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 Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**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' judgment, 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 Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 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.

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 purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025, the Company's financial position as at December 31, 2023, 2024 and 2025, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") 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 35 to the Historical Financial Information which states that no dividend has been paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[●]
Practicing Certificate Number: **[●]**
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of 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 IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**"), and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**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.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,		
		2023	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	*5*	394,463	352,393	475,604
Cost of sales	*8*	(251,040)	(218,628)	(294,025)
Gross profit		143,423	133,765	181,579
Other income	*6*	4,895	3,978	4,825
Other losses, net	*7*	(5,958)	(4,137)	(905)
Net impairment losses (recognized)/ reversed on financial assets		(491)	174	146
Research and development expenses	*8*	(31,582)	(26,907)	(32,125)
General and administrative expenses	*8*	(31,696)	(27,790)	(35,015)
Selling expenses	*8*	(55,997)	(53,030)	(77,410)
Finance costs	*10*	(4,362)	(3,306)	(1,868)
Profit before income tax		18,232	22,747	39,227
Income tax credit/(expense)	*11*	397	252	(2,616)
Profit for the year		18,629	22,999	36,611
Profit for the year attributable to:				
Owners of the Company		18,629	22,999	36,611
Other comprehensive (loss)/income for the year, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign operations, net of tax		(1)	1	(15)
Total comprehensive income for the year		18,628	23,000	36,596
Total comprehensive income for the year attributable to:				
Owners of the Company		18,628	23,000	36,596
Earnings per share ("EPS") attributable to owners of the Company				
Basic and diluted (RMB per share)	*12*	0.11	0.14	0.24

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*13*	12,792	12,224	11,189
Right-of-use assets	*14*	9,307	10,624	7,765
Intangible assets	*15*	594	1,047	801
Prepayments, other receivables and other assets	*19*	1,251	13	497
Deferred tax assets	*21*	17,651	17,933	15,382
		41,595	41,841	35,634
Current assets				
Inventories	*17*	105,039	84,984	120,491
Trade receivables	*18*	34,282	18,771	16,320
Prepayments, other receivables and other assets	*19*	25,299	28,891	36,569
Financial assets at fair value through other comprehensive income	*16*	4,000	4,219	10,194
Cash and cash equivalents	*20*	27,400	46,869	72,653
		196,020	183,734	256,227
Current liabilities				
Trade payables	*22*	95,596	80,070	126,460
Other payables and accruals	*23*	32,545	23,208	30,147
Contract liabilities	*24*	3,442	2,910	4,831
Borrowings	*25*	26,026	45,335	41,231
Provisions	*26*	1,640	2,024	1,420
Lease liabilities	*14*	4,083	2,885	3,009
Income tax payable		10	–	47
		163,342	156,432	207,145
Net current assets		32,678	27,302	49,082
Total assets less current liabilities		74,273	69,143	84,716

		As at December 31,		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities				
Deferred income		–	1,200	1,200
Borrowings	*25*	33,932	11,609	–
Lease liabilities	*14*	5,822	8,845	5,835
		39,754	21,654	7,035
Net assets		34,519	47,489	77,681
EQUITY				
Share capital	*27*	20,610	20,610	20,610
Other reserves	*28*	22,162	14,395	10,187
(Accumulated losses)/retained earnings	*28*	(8,253)	12,484	46,884
Equity attributable to owners of the Company		34,519	47,489	77,681
Total equity		34,519	47,489	77,681

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*13*	2,783	2,083	2,030
Right-of-use assets	*14*	5,298	4,076	2,853
Intangible assets	*15*	434	264	138
Investments in subsidiaries	*30*	2,000	2,367	7,859
Prepayments, other receivables and other assets	*19*	–	–	50
Deferred tax assets	*21*	10,028	12,073	11,399
		20,543	20,863	24,329
Current assets				
Inventories	*17*	14,527	65,090	82,620
Trade receivables	*18*	90,490	38,204	62,773
Dividend receivables		–	20,000	–
Prepayments, other receivables and other assets	*19*	11,511	35,017	33,830
Financial assets at fair value through other comprehensive income	*16*	4,000	3,970	6,941
Cash and cash equivalents	*20*	22,364	29,958	57,278
		142,892	192,239	243,442
Current liabilities				
Trade payables	*22*	61,903	70,101	107,827
Other payables and accruals	*23*	22,786	38,661	39,118
Contract liabilities	*24*	3,374	2,512	3,468
Borrowings	*25*	21,021	34,526	36,228
Provisions	*26*	1,640	2,024	1,420
Lease liabilities	*14*	1,220	1,273	1,329
		111,944	149,097	189,390
Net current asset		30,948	43,142	54,052
Total assets less current liabilities		51,491	64,005	78,381

		As at December 31,		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities				
Deferred income		–	1,200	1,200
Lease liabilities	*14*	4,466	3,193	1,864
		4,466	4,393	3,064
Net assets		47,025	59,612	75,317
EQUITY				
Share capital	*27*	20,610	20,610	20,610
Other reserves	*28*	22,163	14,395	10,202
Retained earnings	*28*	4,252	24,607	44,505
Total equity		47,025	59,612	75,317

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Treasury shares reserve	Capital reserve	Statutory reserve	Other comprehensive (loss)/ income reserve	(Accumulated losses)/ retained earnings	Sub-total	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 27	*Note 28*	*Note 28*	*Note 28*	*Note 28*	*Note 28*		
As at January 1, 2023	20,610	–	20,987	1,176	–	(26,882)	15,891	15,891
Profit for the year	–	–	–	–	–	18,629	18,629	18,629
Exchange differences on translation of financial statements of foreign operations, net of tax	–	–	–	–	(1)	–	(1)	(1)
Total comprehensive income for the year	–	–	–	–	(1)	18,629	18,628	18,628
As at December 31, 2023	20,610	–	20,987	1,176	(1)	(8,253)	34,519	34,519
As at January 1, 2024	20,610	–	20,987	1,176	(1)	(8,253)	34,519	34,519
Profit for the year	–	–	–	–	–	22,999	22,999	22,999
Exchange differences on translation of financial statements of foreign operations, net of tax	–	–	–	–	1	–	1	1
Total comprehensive income for the year	–	–	–	–	1	22,999	23,000	23,000
Appropriation of statutory reserve	–	–	–	2,262	–	(2,262)	–	–
Repurchase of shares	–	(10,030)	–	–	–	–	(10,030)	(10,030)
As at December 31, 2024	20,610	(10,030)	20,987	3,438	–	12,484	47,489	47,489

	Attributable to owners of the Company							
	Share capital	Treasury shares reserve	Capital reserve	Statutory reserve	Other comprehensive (loss)/ income reserve	(Accumulated losses)/ retained earnings	Sub-total	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 27	*Note 28*	*Note 28*	*Note 28*	*Note 28*	*Note 28*		
As at January 1, 2025	20,610	(10,030)	20,987	3,438	–	12,484	47,489	47,489
Profit for the year	–	–	–	–	–	36,611	36,611	36,611
Exchange differences on translation of financial statements of foreign operations, net of tax	–	–	–	–	(15)	–	(15)	(15)
Total comprehensive income for the year	–	–	–	–	(15)	36,611	36,596	36,596
Appropriation of statutory reserve	–	–	–	2,211	–	(2,211)	–	–
Repurchase of shares	–	(6,404)	–	–	–	–	(6,404)	(6,404)
As at December 31, 2025	20,610	(16,434)	20,987	5,649	(15)	46,884	77,681	77,681

Notes:

(a) Statutory reserve represents the statutory reserve of the Company in the People's Republic of China (the "**PRC**"). In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC companies.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Operating activities			
Profit before income tax	18,232	22,747	39,227
Adjustments for:			
Depreciation of property, plant and equipment *(Note 13)*	5,477	4,836	3,545
Depreciation of right-of-use assets *(Note 14)*	4,472	3,088	2,859
Amortization of intangible assets *(Note 15)*	331	305	321
Net losses on disposal of property, plant and equipment and intangible assets and right-of-use assets *(Note 7)*	2,364	556	83
Net impairment losses recognized on inventories	5,883	4,311	7,918
Finance costs *(Note 10)*	4,362	3,306	1,868
Net impairment losses recognized/(reversed) on financial assets	491	(174)	(146)
Investment loss on disposals of financial assets at fair value through other comprehensive income	92	107	52
(Increase)/decrease in trade receivables	(15,325)	15,545	2,745
Increase in financial assets at fair value through other comprehensive income	(4,092)	(326)	(6,027)
(Increase)/decrease in prepayments, other receivables and other assets	(14,635)	5,034	(16,125)
Decrease/(increase) in inventories	(6,299)	15,744	(43,425)
Increase in deferred income	–	1,200	–
Increase/(decrease) in trade payables	36,054	(15,526)	46,390
Increase/(decrease) in other payables and accruals	10,938	(9,337)	6,362
Increase/(decrease) in contract liabilities	1,057	(532)	1,921
Increase/(decrease) in provisions	672	384	(604)
Cash generated from operations	50,074	51,268	46,964
Income tax paid	(6)	(40)	(18)
Net cash flows generated from operating activities	50,068	51,228	46,946

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investing activities			
Purchase of property, plant and equipment and intangible assets	(10,167)	(5,429)	(3,152)
Proceeds from disposals of property, plant and equipment and intangible assets	112	1,085	–
Proceeds from repayment of advances to related parties	71	1,160	19,160
Payment for advances to a related party	–	(8,900)	(9,231)
Net cash flows (used in)/generated from investing activities	(9,984)	(12,084)	6,777
Financing activities			
Proceeds from bank borrowings	40,800	64,100	70,500
Repayment of bank and other borrowings	(71,200)	(64,800)	(84,600)
Interest paid for bank and other borrowings	(4,474)	(5,066)	(3,040)
Payment for **[REDACTED]** expenses	–	–	(368)
Principal elements and interest elements of lease payments	(4,568)	(2,948)	(3,327)
Payment of repurchase of shares	–	(10,030)	(6,404)
Net cash flows used in financing activities	(39,442)	(18,744)	(27,239)
Net increase in cash and cash equivalents	642	20,400	26,484
Cash and cash equivalents at beginning of the year	26,114	27,400	46,869
Effect of foreign exchange rate changes, net	644	(931)	(700)
Cash and cash equivalents at end of the year	27,400	46,869	72,653

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC on April 1, 2013 and converted into a joint stock limited company on June 3, 2016. The address of the Company's registered office and its principal place of business is Room 2801, Block A, Building 8, Shenzhen International Innovation Valley, Dashi First Road, Xili Community, Xili Sub-district, Nanshan District, Shenzhen, PRC.

During the Track Record Period, the Company and its subsidiaries (collectively the "**Group**") are principally engaged in the research, development, production, and distribution of dash cameras and other products.

As at December 31, 2025, the Company's controlling shareholder is Luo Yong ("**Mr. Luo**"), directly holds approximately 20.32% of total share capital of the Company.

As the date of this report, the Company's subsidiaries during the Track Record Period are set out in Note 30.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards (**"IAS"**) and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in Note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards — Volume 11[1]
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency[2]
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS36 and IAS 37	Disclosures about Uncertainties in the Financial Statements[2]

1 Effective for accounting periods beginning on or after January 1, 2026
2 Effective for accounting periods beginning on or after January 1, 2027
3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of the other new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides 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 IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

3.2 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Intra-group transactions, balances and unrealized gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealized losses on sales of intra-group assets are reversed in consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position, respectively.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The consolidated financial statements incorporate the financial statements of the entities or businesses in which the common control combination occurs as if they had been combined from the date when the entities or businesses first came under the control of the Group.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognized as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at the end of the reporting period are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognized in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Mold	3-5 years
Machinery	3–10 years
Leasehold improvement	3-5 years
Office equipment and others	2-5 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid lease payments) are set out in "Leases" below.

Intangible assets

Acquired intangible assets are recognized initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The useful lives are as follows:

Software	5 years

The assets' amortization methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognized as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, canceled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

– amortized cost;

– FVTPL; or

– Fair value through other comprehensive income ("**FVTOCI**").

The classification is determined by both:

– the Group's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Interest income from these financial assets is included other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, cash and cash equivalents, trade receivables, other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in profit or loss.

Impairment of financial assets and contract assets

IFRS 9's impairment requirements use forward-looking information to recognize ECL — the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, and other financial assets measured at amortized cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and bank deposits

Cash and bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at the end of each year for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade receivables with significant outstanding balances which are assessed individually, the remaining trade receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Other receivables

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when 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 recognized is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year for the Track Record Period with the risk of default occurring on the financial assets 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.

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,

– significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

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 collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other receivables are set out in Note 34.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, borrowings and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortized cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in "Leases" below.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and other payables

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method.

Inventories

Inventories are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labor and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 20.

Contract liabilities

Contract liabilities are recognized when the customer pays consideration before the Group recognizes the related revenue. Contract liabilities would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

Prepaid land lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of assets.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Revenue recognition

Revenue mainly arises from sales of dash cameras and others to the distributors and directly sales to the end customers:

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognizing revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized at a point in time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of goods

Revenue from sale of goods is recognized at a point in time when control of the assets is transferred to the customers upon proof of receipt at the delivery of the products.

Revenue for domestic and overseas sale of goods is recognized when the Group has delivered the products to the customers or other parties designated by the customers in accordance with the contract terms and has received receipt and other proof of receipt from the customers or other parties entrusted by the customers.

Sales with a right of return

For sales with a right of return, when the customer obtains the control of a product, the Group shall recognize revenue for the transferred products in the amount of consideration to which the Group expects to be entitled and a refund liability at the amounts receivable for which the Group does not expect to be entitled; meanwhile, an asset shall be recognized as other assets on the cost of return (i.e. right of return assets) measured at the carrying amount of the product expected to be returned less any expected costs to recover those products including potential decreases in the value to the entity of returned products, and the net amount of the carrying amount of the product when transferred to the customer less above mentioned cost shall be recorded into the cost of sales. At the end of each reporting period, the Group shall assess the expectations about the sales return and remeasure abovementioned assets and liabilities.

Warranty

In accordance with the contract, the law or other requirements, the Group provides a warranty in connection with the sale of a product. For warranties which provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications, the Group does not treat it as a performance obligation.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to deferred income and is released to the consolidated statements of comprehensive income over the expected useful life of the relevant asset by equal annual installments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets;
- The Company's investments in subsidiaries; and
- Prepayments and other assets.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash generated unit (CGU)). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognized for CGUs are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognized in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognized as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalized as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year for the Track Record Period.

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking information at the end of each year for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 34.

Inventory provision for impairment

Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situation.

Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information.

The Group's revenue derived from the transfer of goods at a point in time were analyzed as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Type of goods			
– Dash camera	273,300	260,085	376,547
– Others	121,163	92,308	99,057
	394,463	352,393	475,604

All revenue from contracts with customers within the scope of IFRS 15 are recognized at a point in time. The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales of products such that it does not disclose the information about its remaining performance obligations as the contracts have an original expected duration of one year or less.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's management reviews the performance of the Group as a single operating segment based on the internal organization structure, management requirements and internal reporting system. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers			
– Chinese mainland	308,396	220,024	212,287
– Asia (excluding Chinese mainland)	59,741	94,142	205,733
– Europe	17,562	24,043	24,783
– America	6,787	7,830	18,894
– Other countries/regions	1,977	6,354	13,907
	394,463	352,393	475,604

The geographical location of the Group's non-current assets (excluding deferred tax assets and financial assets), mainly comprised of the property, plant and equipment and right-of-use assets are located in the PRC. Accordingly, no geographical segment information of non-current assets is presented.

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	2,300	3,333	2,693

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	54,198	41,792	N/A

N/A: The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group for the year ended December 31, 2025.

6. Other income

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note)*	2,032	755	788
Value-added tax (VAT) refund	1,786	2,629	1,457
Interest income	216	262	322
Sales of raw materials and accessories	(184)	161	2,182
Advertising income	1,020	164	71
Maintenance income	25	7	5
	4,895	3,978	4,825

Note:

During the Track Record Period, there are no unfulfilled condition or contingencies relating to these grants.

7. OTHER LOSSES, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment loss on disposals of financial assets at FVTOCI	92	107	52
Net foreign exchange (gains)/losses	(551)	746	685
Net losses on disposals of property, plant and equipment, intangible assets and right-of-use assets	2,364	556	83
Losses on materials	4,036	2,658	–
Others	17	70	85
	5,958	4,137	905

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, selling expenses and general and administrative expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Changes in finished goods and work in progress	(1,307)	11,544	(27,858)
Raw materials consumed	221,845	180,682	290,687
Employee benefit expenses *(Note 9)*	83,792	79,999	90,265
Advertising and promotion expenses	17,389	14,470	24,170
Platform services fees	9,168	9,558	21,059
Depreciation of property, plant and equipment *(Note 13)*	5,477	4,836	3,545
Depreciation of right-of-use assets *(Note 14)*	4,472	3,088	2,859
Amortization of intangible assets *(Note 15)*	331	305	321
Net impairment losses recognized on inventories	5,883	4,311	7,918
Office and travel expenses	7,244	3,963	5,603
[REDACTED] expenses	–	–	5,142
Professional services fees	1,709	1,284	1,154
Other	14,312	12,315	13,710
	370,315	326,355	438,575

9. EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	78,592	74,032	85,432
Retirement scheme contributions	3,175	3,503	4,519
Termination benefits	2,025	2,464	314
	83,792	79,999	90,265

(a) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Salaries, allowances, and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023				
Executive directors				
Mr. Luo Yong	804	300	15	1,119
Mr. Yu Yunhui	591	144	10	745
Mr. Yu Xiping	591	144	10	745
Mr. Wang Kai	485	200	10	695
Mr. Guo Xiaogang	410	144	10	564
Supervisors				
Mr. Dou Chengqiang	528	300	10	838
Mr. Zhao Yujie *(Note (iv))*	–	–	–	–
Mr. Chen Jihong *(Note (v))*	–	–	–	–
	3,409	1,232	65	4,706
Year ended December 31, 2024				
Executive directors				
Mr. Luo Yong	807	420	14	1,241
Mr. Yu Yunhui	612	200	12	824
Mr. Yu Xiping	615	200	12	827
Mr. Wang Kai	499	420	12	931
Mr. Guo Xiaogang	414	143	12	569
Supervisors				
Mr. Dou Chengqiang	530	–	12	542
Mr. Zhao Yujie *(Note (iv))*	–	–	–	–
Mr. Chen Jihong *(Note (v))*	–	–	–	–
	3,477	1,383	74	4,934
Year ended December 31, 2025				
Executive directors				
Mr. Luo Yong	809	419	15	1,243
Mr. Yu Yunhui	629	250	14	893
Mr. Yu Xiping *(Note (i))*	367	–	8	375
Mr. Wang Kai	558	220	14	792
Mr. Guo Xiaogang	444	180	14	638
Supervisors				
Mr. Dou Chengqiang *(Note (ii))*	87	–	14	101
Mr. Chen Yicheng *(Note (iii)*	363	144	12	519
Mr. Zhao Yujie *(Note (iv))*	–	–	–	–
Mr. Chen Jihong *(Note (v))*	–	–	–	–
	3,257	1,213	91	4,561

Notes:

(i) Mr. Yu Xiping no longer serves as an executive director of the Company since July 31, 2025.

(ii) Mr. Dou Chengqiang no longer serves as a supervisor of the Company since February 14, 2025.

(iii) Mr. Chen Yicheng was appointed as a supervisor of the Company from March 1, 2025.

(iv) Mr. Zhao Yujie is dispatched by one of the shareholders of the Company (Shenzhen Jiuyu Galaxy Zhineng Hulian Investment Fund, (Limited Partnership)) and did not receive any remuneration from the Company in relation to his services rendered for the Company. His remunerations were borne by Shenzhen Jiuyu Galaxy Zhineng Hulian Investment Fund, (Limited Partnership). The management of the Company considers there is no reasonable basis for such allocation of his remunerations between the Company and Shenzhen Jiuyu Galaxy Zhineng Hulian Investment Fund, (Limited Partnership).

(v) Mr. Chen Jihong is dispatched by one of the shareholders of the Company (Shenzhen Qianhai Huxing Asset Management Co., Ltd.) and did not receive any remuneration from the Company in relation to his services rendered for the Company. His remunerations were borne by Shenzhen Qianhai Huxing Asset Management Co., Ltd. The management of the Company considers there is no reasonable basis for such allocation of his remunerations between the Company and Shenzhen Qianhai Huxing Asset Management Co., Ltd.

(vi) No consideration was provided to third parties for making available directors' services during the years ended December 31, 2023, 2024 and 2025.

(vii) No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time for the years ended December 31, 2023, 2024 and 2025.

(viii) The directors' and supervisors' emoluments represented the amounts paid or payable for their services rendered to the Group since their appointment as directors or supervisors. The emoluments paid to them for service rendered as management prior to their appointments as directors or supervisors are not included in the above tables.

(ix) Fees, salaries, allowances and benefits in kind paid to or for the executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

(x) Save as disclosed above, there was no arrangement under which directors of the Company and supervisors waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

(b) Five highest paid individuals

During the years ended December 31, 2023, 2024 and 2025, the five highest paid individuals included 5, 4 and 4 directors and supervisor, respectively, whose emoluments are reflected in Note 9(a) above. The aggregate emoluments payable to the remaining nil, 1 and 1 individual during the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	–	578	723
Retirement scheme contributions	–	41	42
	–	619	765

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individual fell within the following bands:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Hong Kong Dollar ("**HKD**") 1 to HKD1,000,000	–	1	1
	–	1	1

10. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on bank borrowings	1,019	1,034	1,249
Interest expense on other borrowings	2,917	1,718	178
Interest expense on lease liabilities	426	554	441
	4,362	3,306	1,868

11. INCOME TAX (CREDIT)/EXPENSE

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	10	30	65
Deferred income tax *(Note 21)*	(407)	(282)	2,551
	(397)	(252)	2,616

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries are calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

In 2016, the Company was recognized as a "High and New Technology Enterprise" ("**HNTE**"), therefore enjoyed a preferential income tax rate of 15% in 2016 to 2018. The Company renewed its HNTE recognition in 2019, 2022 and 2025 and enjoyed the 15% preferential income tax rate for the years ended December 31, 2023, 2024 and 2025.

In 2021, DDPAI (Shenzhen) Cloud Technology Co., Ltd. ("**Cloud Technology**"), one of the subsidiaries of the Group, was recognized as a "High and New Technology Enterprise" ("**HNTE**"), therefore enjoyed a preferential income tax rate of 15% in 2021 to 2023. The Company renewed its HNTE recognition in 2024 and enjoyed the 15% preferential income tax rate for the year ended December 31, 2025.

(b) Hong Kong Profits Tax

The Company's subsidiary domiciled in Hong Kong is subject to a two-tiered income tax rate for taxable income earned in Hong Kong effectively since April 1, 2018. The first 2 million Hong Kong dollars of profits earned by the qualifying group entity are subject to be taxed at an income tax rate of 8.25%, while the remaining profits will be taxed at 16.5%.

Reconciliation between the income tax (credit)/expense and profit before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	18,232	22,747	39,227
Tax at the preferential tax rate of 15%	2,735	3,412	5,884
Tax effect of:			
– different tax rates of the subsidiaries	952	1,253	375
– non-deductible expenses	1,662	817	62
– effects of unrecognized tax losses and temporary differences	(4,604)	(2,098)	950
– super deduction on research and development expenses *(Note)*	(1,142)	(3,636)	(4,655)
	(397)	(252)	2,616

Note:

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, if the research and development expenses actually incurred by enterprises in carrying out research and development activities are not recognized as intangible assets and are not amortized in the current period's profit and loss, on the basis of actual deduction according to regulations, enterprises are entitled to claim an additional deduction of 100% of the actual amount. For intangible assets, enterprises are entitled to 200% deduction of the amortization of intangible assets.

12. EARNINGS PER SHARE

The weighted average number of ordinary shares outstanding during the Track Record Period used in the basic and diluted earnings per share calculation had been adjusted retrospectively to reflect the **[REDACTED]** on a **[REDACTED]** basis, where the Company **[REDACTED]** its share from one share of RMB1.0 each into **[REDACTED]** shares of RMB**[REDACTED]** each, which shall take effect immediately prior to the **[REDACTED]**.

(a) Basic earnings per share

Basic earnings per share ("**EPS**") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Year ended December 31,		
	2023	**2024**	**2025**
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	18,629	22,999	36,611
Weighted average number of ordinary shares in issue *(thousand shares)*	164,880	162,382	154,492
Basic EPS *(RMB per share)*	0.11	0.14	0.24

(b) Diluted earnings per share

Since there were no dilutive potential ordinary shares during the years ended December 31, 2023, 2024 and 2025, the diluted EPS is equal to the basic EPS.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Mold	Machinery	Leasehold improvement	Office equipment and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023					
Cost	5,626	6,300	7,719	6,640	26,285
Accumulated depreciation	(3,416)	(3,580)	(5,044)	(3,248)	(15,288)
Net carrying amount	2,210	2,720	2,675	3,392	10,997
Year ended December 31, 2023					
Opening net carrying amount	2,210	2,720	2,675	3,392	10,997
Additions	2,599	3,256	1,901	1,730	9,486
Disposals	(590)	(53)	(1,545)	(26)	(2,214)
Depreciation	(1,445)	(1,274)	(1,368)	(1,390)	(5,477)
Closing net carrying amount	2,774	4,649	1,663	3,706	12,792
As at December 31, 2023					
Cost	7,602	9,239	8,075	8,145	33,061
Accumulated depreciation	(4,828)	(4,590)	(6,412)	(4,439)	(20,269)
Net carrying amount	2,774	4,649	1,663	3,706	12,792
Year ended December 31, 2024					
Opening net carrying amount	2,774	4,649	1,663	3,706	12,792
Additions	1,160	362	3,730	657	5,909
Disposals	(1,260)	(97)	–	(284)	(1,641)
Depreciation	(1,287)	(1,049)	(1,052)	(1,448)	(4,836)
Closing net carrying amount	1,387	3,865	4,341	2,631	12,224
As at December 31, 2024					
Cost	6,093	8,339	11,805	7,650	33,887
Accumulated depreciation	(4,706)	(4,474)	(7,464)	(5,019)	(21,663)
Net carrying amount	1,387	3,865	4,341	2,631	12,224
Year ended December 31, 2025					
Opening net carrying amount	1,387	3,865	4,341	2,631	12,224
Additions	1,296	243	–	1,054	2,593
Disposals	–	(1)	–	(82)	(83)
Depreciation	(818)	(510)	(1,084)	(1,133)	(3,545)
Closing net carrying amount	1,865	3,597	3,257	2,470	11,189
As at December 31, 2025					
Cost	7,389	8,570	11,805	8,095	35,859
Accumulated depreciation	(5,524)	(4,973)	(8,548)	(5,625)	(24,670)
Net carrying amount	1,865	3,597	3,257	2,470	11,189

Note:

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	3,836	3,239	2,224
General and administrative expenses	505	703	515
Research and development expenses	886	660	540
Selling expenses	250	234	266
	5,477	4,836	3,545

(b) There are no property, plant and equipment of the Group pledged at the end of each year for the Track Record Period.

The Company

	Mold	Leasehold improvement	Office equipment and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023				
Cost	2,091	812	1,774	4,677
Accumulated depreciation	(1,797)	(266)	(949)	(3,012)
Net carrying amount	294	546	825	1,665
Year ended December 31, 2023				
Opening net carrying amount	294	546	825	1,665
Additions	–	1,698	839	2,537
Disposals	–	–	(5)	(5)
Depreciation	(189)	(688)	(537)	(1,414)
Closing net carrying amount	105	1,556	1,122	2,783
As at December 31, 2023				
Cost	2,091	2,510	2,568	7,169
Accumulated depreciation	(1,986)	(954)	(1,446)	(4,386)
Net carrying amount	105	1,556	1,122	2,783
Year ended December 31, 2024				
Opening net carrying amount	105	1,556	1,122	2,783
Additions	–	–	160	160
Disposals	–	–	(3)	(3)
Depreciation	–	(340)	(517)	(857)
Closing net carrying amount	105	1,216	762	2,083
As at December 31, 2024				
Cost	2,091	2,510	2,711	7,312
Accumulated depreciation	(1,986)	(1,294)	(1,949)	(5,229)
Net carrying amount	105	1,216	762	2,083

	Mold	Leasehold improvement	Office equipment and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025				
Opening net carrying amount	105	1,216	762	2,083
Additions	–	–	773	773
Disposals	–	–	(60)	(60)
Depreciation	–	(339)	(427)	(766)
Closing net carrying amount	105	877	1,048	2,030
As at December 31, 2025				
Cost	2,091	2,510	3,167	7,768
Accumulated depreciation	(1,986)	(1,633)	(2,119)	(5,738)
Net carrying amount	105	877	1,048	2,030

14. LEASES

The Group as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings
	RMB'000
As at January 1, 2023	9,641
Additions	6,114
Depreciation	(4,472)
Lease modification and termination	(1,976)
As at December 31, 2023	9,307
As at January 1, 2024	9,307
Additions	8,185
Depreciation	(3,088)
Lease modification and termination	(3,780)
As at December 31, 2024	10,624
As at January 1, 2025	10,624
Depreciation	(2,859)
As at December 31, 2025	7,765

Notes:

(i) The Group has obtained the right to use buildings in its operations through tenancy agreements. Leases of buildings generally have lease terms from 1 year and 6 months to 5 years.

(ii) Depreciation of the Group's right-of-use assets has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	2,014	1,140	1,000
General and administrative expenses	1,174	672	618
Selling expenses	624	629	600
Research and development expenses	660	647	641
	4,472	3,088	2,859

(b) Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	10,608	12,721	9,395
Future interest expense on lease liabilities	(703)	(991)	(551)
	9,905	11,730	8,844
Current	4,083	2,885	3,009
Non-current	5,822	8,845	5,835
	9,905	11,730	8,844

The maturity analysis of lease liabilities is disclosed in Note 34 to the Historical Financial Information.

(c) The amounts recognized in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense	426	554	441
Depreciation of right-of-use assets	4,472	3,088	2,859
	4,898	3,642	3,300

The Company

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings
	RMB'000
As at January 1, 2023	816
Additions	6,114
Depreciation	(1,632)
As at December 31, 2023	5,298
As at January 1, 2024	5,298
Depreciation	(1,222)
As at December 31, 2024	4,076
As at January 1, 2025	4,076
Depreciation	(1,223)
As at December 31, 2025	2,853

(b) Lease liabilities

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	6,243	4,802	3,361
Future interest expense on lease liabilities	(557)	(336)	(168)
	5,686	4,466	3,193
Current	1,220	1,273	1,329
Non-current	4,466	3,193	1,864
	5,686	4,466	3,193

The Group as a lessor

No properties were rent out by the Group during the Track Record Period.

15. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
As at January 1, 2023	
Cost	1,524
Accumulated amortization	(968)
Net carrying amount	556
Year ended December 31, 2023	
Opening net carrying amount	556
Additions	402
Disposal	(33)
Amortization	(331)
Closing net carrying amount	594
As at December 31, 2023	
Cost	1,837
Accumulated amortization	(1,243)
Net carrying amount	594
Year ended December 31, 2024	
Opening net carrying amount	594
Additions	758
Amortization	(305)
Closing net carrying amount	1,047
As at December 31, 2024	
Cost	2,481
Accumulated amortization	(1,434)
Net carrying amount	1,047
Year ended December 31, 2025	
Opening net carrying amount	1,047
Additions	75
Amortization	(321)
Closing net carrying amount	801
As at December 31, 2025	
Cost	2,556
Accumulated amortization	(1,755)
Net carrying amount	801

The Company

	Software
	RMB'000
As at January 1, 2023	
Cost	1,341
Accumulated amortization	(895)
Net carrying amount	446
Year ended December 31, 2023	
Opening net carrying amount	446
Additions	218
Amortization	(230)
Closing net carrying amount	434
As at December 31, 2023	
Cost	1,559
Accumulated amortization	(1,125)
Net carrying amount	434
Year ended December 31, 2024	
Opening net carrying amount	434
Additions	16
Amortization	(186)
Closing net carrying amount	264
As at December 31, 2024	
Cost	1,575
Accumulated amortization	(1,311)
Closing net carrying amount	264
Year ended December 31, 2025	
Opening net carrying amount	264
Amortization	(126)
Closing net carrying amount	138
As at December 31, 2025	
Cost	1,575
Accumulated amortization	(1,437)
Net carrying amount	138

16. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notes receivables measured at FVTOCI *(Note)*	4,000	4,219	10,194

Note:

The balance represents notes receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The notes receivables had a maturity of within six months at the end of each year for the Track Record Period. The notes receivables are measured at FVTOCI since the notes are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature.

Financial assets that are derecognized in their entirety

As part of its ordinary business activities, the Group discounted and endorsed certain notes receivables accepted by banks (the "**Discounted and Endorsed Notes**") with carrying amounts of approximately RMB20,136,000, RMB20,788,000 and RMB14,229,000 to certain banks and certain of its suppliers as at December 31, 2023, 2024 and 2025, respectively. The Discounted and Endorsed Notes had maturities of one to six months at the end of each year for the Track Record Period. In accordance with the Negotiable Instruments Law of the People's Republic of China, holders of the Discounted and Endorsed Notes may exercise recourse rights against any, several or all of the persons liable in respect of such notes, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the Group, the risk of the Group being subject to claims by the holders of the Discounted and Endorsed Notes is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Discounted and Endorsed Notes. Accordingly, it has derecognized the full carrying amounts of such notes and the related trade payables. The maximum exposure to loss arising from the Group's Continuing Involvement in the Discounted and Endorsed Notes and the undiscounted cash flows for repurchasing such notes equals to their carrying amounts. In the opinion of the Group, the fair value of the Group's Continuing Involvement in the Discounted and Endorsed Notes is not significant respectively.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Notes receivables measured at FVTOCI	4,000	3,970	6,941

17. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	33,885	24,251	32,117
Work in progress	18,446	7,891	14,041
Finished goods	63,398	62,409	84,117
	115,729	94,551	130,275
Less: provision for impairment *(Note)*	(10,690)	(9,567)	(9,784)
	105,039	84,984	120,491

Note:

The directors of the Company review the condition of inventories and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. Inventory review was carried out at each reporting date on a product-by-product basis and makes allowance by reference to the latest market prices and current market conditions for the Group and the Company.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	3	4,301	6,463
Work in progress	–	3,176	2,189
Finished goods	16,382	62,182	80,750
	16,385	69,659	89,402
Less: provision for impairment	(1,858)	(4,569)	(6,782)
	14,527	65,090	82,620

18. TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	36,383	20,838	18,093
Less: allowance for impairment	(2,101)	(2,067)	(1,773)
	34,282	18,771	16,320

Note:

The credit period granted to customers is generally within 60 days during the Track Record Period.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Due from subsidiaries	57,668	20,915	47,248
– Due from other parties	34,881	19,097	17,260
	92,549	40,012	64,508
Less: allowance for impairment	(2,059)	(1,808)	(1,735)
	90,490	38,204	62,773

The aging analysis of trade receivables based on recognition date is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	31,659	18,531	16,193
Over 1 year but within 2 years	3,081	406	199
Over 2 years but within 3 years	59	271	40
Over 3 years but within 4 years	201	57	51
Over 4 years	1,383	1,573	1,610
	36,383	20,838	18,093

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	88,273	37,960	62,665
Over 1 year but within 2 years	2,633	398	177
Over 2 years but within 3 years	59	24	32
Over 3 years but within 4 years	201	57	24
Over 4 years	1,383	1,573	1,610
	92,549	40,012	64,508

Movements in impairment of trade receivables are as follows:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,777	2,101	2,067
Impairment recognized/(reversed), net	324	(34)	(294)
At the end of the year	2,101	2,067	1,773

Detail information about the impairment of trade receivables and the Group's exposure to credit risk is described in Note 34.

The Company

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,767	2,059	1,808
Impairment recognized/(reversed), net	292	(251)	(73)
At the end of the year	2,059	1,808	1,735

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of property, plant and equipment	1,251	13	497
Current			
Other receivables *(Note)*			
– Amounts due from related parties	2,189	9,929	–
– Deposits receivables	3,550	2,753	3,051
– Others	2,337	2,164	2,661
Less: allowance for impairment	(992)	(852)	(1,000)
	7,084	13,994	4,712
VAT recoverable	15,996	12,885	18,898
Prepayments for materials and services	2,178	1,935	11,692
Deferred **[REDACTED]** expenses	–	–	945
Others	41	77	322
	25,299	28,891	36,569

Note:

The information about credit risk exposure on the Group's other receivables is disclosed in Note 34.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of property, plant and equipment	–	–	50
Current			
Other receivables			
Due from subsidiaries	5,793	9,577	11,635
Due from related parties	2,189	9,929	–
Due from other parties			
– Deposits receivables	1,963	1,928	2,267
– Others	1,365	1,146	1,717
Less: allowance for impairment	(558)	(508)	(647)
	10,752	22,072	14,972
VAT recoverable	673	12,064	16,454
Deferred **[REDACTED]** expenses	–	–	945
Prepayments for materials and others	86	881	1,459
	11,511	35,017	33,830

Movements in impairment of other receivables are as follows:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	825	992	852
Impairment recognized/(reversed), net	167	(140)	148
At the end of the year	992	852	1,000

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	426	558	508
Impairment recognized/(reversed), net	132	(50)	139
At the end of the year	558	508	647

20. CASH AND CASH EQUIVALENTS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash on hand	3	34	7
Cash in banks	27,397	46,835	72,646
	27,400	46,869	72,653

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	26,213	43,604	59,939
United States Dollar ("**USD**")	938	3,256	10,830
Other currencies	249	9	1,884
	27,400	46,869	72,653

RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash on hand	3	34	7
Cash in banks	22,361	29,924	57,271
	22,364	29,958	57,278

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	21,240	27,279	48,527
USD	875	2,670	6,867
Other currencies	249	9	1,884
	22,364	29,958	57,278

21. DEFERRED INCOME TAX

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	19,454	20,193	17,063
Offset by deferred tax liabilities	(1,803)	(2,260)	(1,681)
Net deferred tax assets	17,651	17,933	15,382
Deferred tax liabilities	1,803	2,260	1,681
Offset by deferred tax assets	(1,803)	(2,260)	(1,681)
Net deferred tax liabilities	–	–	–

(a) *Deferred tax assets*

The gross movements on the deferred tax assets during the Track Record Period are as follows:

	Impairment provision	**Tax losses**	**Lease liabilities**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	603	16,499	2,318	153	19,573
Credited/(charged) in profit or loss	869	(945)	(410)	367	(119)
As at December 31, 2023 and January 1, 2024	1,472	15,554	1,908	520	19,454
Credited/(charged) in profit or loss	643	(1,340)	578	858	739
As at December 31, 2024 and January 1, 2025	2,115	14,214	2,486	1,378	20,193
Credited/(charged) in profit or loss	61	(3,112)	(594)	515	(3,130)
As at December 31, 2025	2,176	11,102	1,892	1,893	17,063

(b) Deferred tax liabilities

The gross movements on the deferred tax liabilities during the Track Record Period are as follows:

	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	2,329	–	2,329
(Credited)/charged in profit or loss	(532)	6	(526)
As at December 31, 2023 and January 1, 2024	1,797	6	1,803
Charged in profit or loss	452	5	457
As at December 31, 2024 and January 1, 2025	2,249	11	2,260
(Credited)/charged in profit or loss	(593)	14	(579)
As at December 31, 2025	1,656	25	1,681

(c) Tax losses and deductible temporary differences with deferred tax assets not recognized

Deferred tax assets should be recognized when it is probable that taxable profits or taxable temporary differences will be available against which the deferred tax asset can be utilized. Temporary differences will not be recognized as deferred tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future. As at December 31, 2023, 2024 and 2025, the tax losses and deductible temporary differences which were not recognized as deferred tax assets at the end of each year were RMB15,854,000, RMB7,474,000 and RMB10,199,000, respectively.

The Group has unused tax losses of approximately RMB7,044,000, RMB5,274,000 and RMB9,974,000 as at December 31, 2023, 2024 and 2025, respectively, available for offset against future profits. The tax losses can be carried forward as below:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2026	4,988	1,338	1,338
2027	694	694	694
2028	1,362	1,362	1,362
2029	–	1,621	1,621
2030	–	–	4,959
No expire date	–	259	–
	7,044	5,274	9,974

The Company

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred taxes relate to the same authority.

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	10,829	12,696	11,852
Offset by deferred tax liabilities	(801)	(623)	(453)
Net deferred tax assets	10,028	12,073	11,399
Deferred tax liabilities	801	623	453
Offset by deferred tax assets	(801)	(623)	(453)
Net deferred tax liabilities	–	–	–

(a) Deferred tax assets

The gross movements on the deferred tax assets during the Track Record Period are as follows:

	Impairment provision	Tax losses	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	470	9,520	154	153	10,297
Credited/(charged) in profit or loss	201	(526)	699	158	532
As at December 31, 2023 and January 1, 2024	671	8,994	853	311	10,829
Credited/(charged) in profit or loss	362	1,480	(183)	208	1,867
As at December 31, 2024 and January 1, 2025	1,033	10,474	670	519	12,696
Credited/(charged) in profit or loss	342	(934)	(191)	(61)	(844)
As at December 31, 2025	1,375	9,540	479	458	11,852

(b) Deferred tax liabilities

The gross movements on the deferred tax liabilities during the Track Record Period are as follows:

	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	122	–	122
Charged in profit or loss	673	6	679
As at December 31, 2023 and January 1, 2024	795	6	801
(Credited)/charged in profit or loss	(183)	5	(178)
As at December 31, 2024 and January 1, 2025	612	11	623
(Credited)/charged in profit or loss	(184)	14	(170)
As at December 31, 2025	428	25	453

22. TRADE PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	95,596	80,070	126,460

The credit period granted by suppliers is generally within 120 days. The aging analysis of the trade payables of the Group as at December 31, 2023, 2024, and 2025 based on recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Within 1 year	94,577	74,522	125,651
– Over 1 year but within 2 years	692	5,009	15
– Over 2 years but within 3 years	205	213	712
– Over 3 years	122	326	82
	95,596	80,070	126,460

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– Due to subsidiaries	3	10,196	15,782
– Due to other parties	61,900	59,905	92,045
	61,903	70,101	107,827

All of the trade payables of the Company as at December 31, 2023, 2024 and 2025 based on recognition date are within one year.

23. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	12,813	13,187	16,790
Other tax payables	14,195	4,907	4,606
Deposits received	1,430	752	732
Accrued **[REDACTED]** expenses	–	–	3,849
Accrued expenses	4,107	4,362	4,170
	32,545	23,208	30,147

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to subsidiaries	5,986	26,345	21,160
Payroll and welfare payables	7,667	8,665	11,060
Other tax payables	6,563	1,271	1,009
Deposits received	1,062	712	402
Accrued **[REDACTED]** expenses	–	–	3,849
Others	1,508	1,668	1,638
	22,786	38,661	39,118

24. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advance payments from customers	3,442	2,910	4,831

Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying goods are yet to be provided.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advance payments from customers	3,374	2,512	3,468

25. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Unsecured and unguaranteed			
Short-term bank borrowings	–	2,800	–
Unsecured and guaranteed			
Short-term bank borrowings *(Note (a), (b))*	21,022	31,524	15,511
Secured and guaranteed			
Short-term bank borrowings *(Note (a), (b))*	5,004	11,011	25,720
	26,026	45,335	41,231
Non-current			
Unsecured and unguaranteed			
Long-term other borrowings *(Note (e))*	33,932	11,609	–

Notes:

(a) As at December 31, 2023, 2024 and 2025, the outstanding balances of bank borrowings solely guaranteed by the shareholders amounted to approximately RMB5,004,000, RMB22,015,000 and RMB25,717,000, respectively *(Note 31(e))*.

(b) As at December 31, 2023, 2024 and 2025, the outstanding balances of bank borrowings jointly guaranteed by the shareholders and the entities within the Group amounted to approximately RMB21,022,000, RMB20,520,000 and RMB15,514,000, respectively *(Note 31(e))*.

(c) Secured borrowings were mainly secured by intellectual properties. As at December 31, 2023, 2024 and 2025, the carrying value of the secured intellectual properties is nil.

(d) As at December 31, 2023, 2024 and 2025, the bank borrowings bear interest rates range of 2.80% to 3.80%, 2.85% to 3.50% and 2.50% to 3.10% per annum, respectively.

(e) The amount represents borrowings from independent third party, carrying fixed interest rate of 6% per annum, and the Group is entitled to repay all or part of the principal at any time before the maturity date without any prepayment charges.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Unsecured and guaranteed			
Short-term bank borrowings	16,017	23,515	15,511
Secured and guaranteed			
Short-term bank borrowings	5,004	11,011	20,717
	21,021	34,526	36,228

During the Track Record Period, the Group did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's borrowings were repayable as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Analyzed as:			
– Within 1 year	26,026	45,335	41,231
– Over 1 year but within 2 years	–	11,609	–
– Over 2 years	33,932	–	–
	59,958	56,944	41,231

As at December 31, 2023, 2024 and 2025, the Group's borrowings that are all denominated in RMB.

Details of the Group's risk arising from current and non-current borrowings are disclosed in Note 34 to the Historical Financial Information.

The Company

As at December 31, 2023, 2024 and 2025, the Company's borrowings are all repayable within one year and denominated in RMB.

26. PROVISIONS

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Warranties	1,640	2,024	1,420

Note:

The Group provides warranties on products and undertakes to repair or replace items that fail to perform satisfactorily. Provision was made for estimated warranty claims in respect of products sold which were still under warranty at the end of each of reporting period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

The movements of the provisions during the Track Record Period are as follows:

The Group and the Company

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	968	1,640	2,024
Provision during the year	7,282	7,733	6,089
Utilization during the year	(6,610)	(7,349)	(6,693)
At the end of the year	1,640	2,024	1,420

27. SHARE CAPITAL

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Share capital	20,610	20,610	20,610

The changes in the Company's authorized, issued and fully paid share capital are as follows:

	Number of shares	**Share capital**
	'000	*RMB'000*
Ordinary shares of RMB1 each As at December 31, 2023, 2024 and 2025	20,610	20,610

28. OTHER RESERVES AND RETAINED EARNINGS

The Group

During the Track Record Period, the amounts of the Group's reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Treasury shares reserve	Capital reserves	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	–	20,987	1,176	6,224	28,387
Loss for the year	–	–	–	(1,972)	(1,972)
Total comprehensive loss for the year	–	–	–	(1,972)	(1,972)
As at December 31, 2023	–	20,987	1,176	4,252	26,415
As at January 1, 2024	–	20,987	1,176	4,252	26,415
Profit for the year	–	–	–	22,617	22,617
Total comprehensive income for the year	–	–	–	22,617	22,617
Appropriation of statutory reserve	–	–	2,262	(2,262)	–
Repurchase of shares *(Note)*	(10,030)	–	–	–	(10,030)
As at December 31, 2024	(10,030)	20,987	3,438	24,607	39,002
As at January 1, 2025	(10,030)	20,987	3,438	24,607	39,002
Profit for the year	–	–	–	22,109	22,109
Total comprehensive income for the year	–	–	–	22,109	22,109
Appropriation of statutory reserve	–	–	2,211	(2,211)	–
Repurchase of shares *(Note)*	(6,404)	–	–	–	(6,404)
As at December 31, 2025	(16,434)	20,987	5,649	44,505	54,707

Note:

The detail of the treasury shares reserve and number of treasury shares outstanding at the end of each year for the Track Record Period are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	–	–	10,030
Repurchase of shares	–	10,030	6,404
At the end of the year	–	10,030	16,434
Number of treasury shares (in thousands)	–	924	1,513

During the years ended December 31, 2024 and 2025, the Company repurchased its shares from certain minority shareholders for the purpose of implementing share incentive scheme for certain directors and employees of the Group in the foreseeable future.

29. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of liabilities arising from financing activities for the Track Record Period are as follows:

	Borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	90,896	9,681	100,577
Cash flows	(34,874)	(4,568)	(39,442)
Interest expense	3,936	426	4,362
New leases and lease modification	–	4,366	4,366
As at December 31, 2023 and January 1, 2024	59,958	9,905	69,863
Cash flows	(5,766)	(2,948)	(8,714)
Interest expense	2,752	554	3,306
New leases and lease modification	–	4,219	4,219
As at December 31, 2024 and January 1, 2025	56,944	11,730	68,674
Cash flows	(17,140)	(3,327)	(20,467)
Interest expense	1,427	441	1,868
As at December 31, 2025	41,231	8,844	50,075

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	12,000	12,367	17,859
Impairment loss	(10,000)	(10,000)	(10,000)
	2,000	2,367	7,859

At the date of this report, the Company's principal subsidiaries are as follows:

Name of entity	Place of incorporation/ operation	Registered share capital	Effective interest held by the Company — As at December 31, 2023	2024	2025	As at the date of this report	Principal activities
Directly held:							
DDPAI (Zhejiang) Intelligent Equipment Co., Ltd. *(Note (b))*	The PRC	RMB10,000,000	100%	100%	100%	100%	Manufacturing
DDPAI (Shenzhen) Cloud Technology Co., Ltd. *(Note (c))*	The PRC	RMB5,000,000	100%	100%	100%	100%	Research and development
DDPAI (Dongguan) Vision Equipment Co., Ltd. *(Note (d))*	The PRC	RMB1,000,000	100%	100%	100%	100%	Manufacturing
Pinghu Chongpeipei Technology Co., Ltd	The PRC	RMB1,000,000	100%	100%	100%	100%	Product sales
Shenzhen Chepaidang Technology Co., Ltd.	The PRC	RMB1,000,000	100%	100%	100%	100%	Product sales
DDPAI (Shenzhen) Automotive Electronics Co., Ltd.	The PRC	RMB1,000,000	N/A	N/A	100%	100%	Product sales
DDPAI Global Co., Limited	Hong Kong	HKD2,000,000	100%	100%	100%	100%	Product sales

Notes:

(a) The English name of the subsidiaries with Chinese names represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) The financial statements of this subsidiary for the year ended December 31, 2023 was audited by Dahua Certified Public Accountants LLP.

(c) The financial statements of this subsidiary for the year ended December 31, 2023 was audited by Dahua Certified Public Accountants LLP. The financial statements of the entity for the year ended December 31, 2024 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP. The financial statements of this subsidiary for the year ended December 31, 2025 was audited by Shenzhen Donghai Certified Public Accountants LLP.

(d) The financial statements of this subsidiary for the year ended December 31, 2023 was audited by Dahua Certified Public Accountants LLP.

(e) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results during the Track Record Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

(f) All the subsidiaries of the Company are limited liability companies. All subsidiaries have adopted December 31, as their financial year end date.

(g) None of the subsidiaries had issued any debt securities during the Track Record Period.

31. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the Track Record Period.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Mr. Yu Yunhui	The shareholder of the Company
Mr. Ma Yiding	Senior management of the Company
Pinghu Yichen Information Consulting Co., Ltd. ("**Pinghu Yichen**")	Company controlled by the controlling shareholder

(b) Non-trade transactions with related parties

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Proceeds from repayment of advances to:			
Mr. Ma Yiding	71	–	1,029
Mr. Yu Yunhui	–	1,160	–
Pinghu Yichen	–	–	18,131
	71	1,160	19,160
Payments for advances to:			
Pinghu Yichen	–	8,900	9,231

(c) Balances with related parties

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-trade amounts due from related parties ***(Note (i), (ii))***			
Mr. Ma Yiding	1,029	1,029	–
Mr. Yu Yunhui	1,160	–	–
Pinghu Yichen	–	8,900	–
	2,189	9,929	–

Notes:

(i) The amounts were unsecured, interest-free and recoverable or repayable on demand.

(ii) The amount due from the related parties in non-trade nature were all settled during the year ended December 31, 2025.

(d) Compensation of key management personnel of the Group

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	3,354	3,857	3,913
Retirement scheme contributions	55	65	98
	3,409	3,922	4,011

(e) Guarantees

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Guarantees provided by the Shareholders for the Group's borrowings *(Note 25)*	26,026	42,535	41,231

The balances set out above is the outstanding balance of the borrowings.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The Group

The carrying amounts of each financial instrument as at the end of each year for the reporting period are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortized cost			
– Trade receivables	34,282	18,771	16,320
– Other receivables	7,084	13,994	4,712
– Cash and cash equivalents	27,400	46,869	72,653
Financial assets at FVTOCI			
– Notes receivables measured at FVTOCI	4,000	4,219	10,194
	72,766	83,853	103,879
Financial liabilities			
Financial liabilities measured at amortized cost			
– Trade payables	95,596	80,070	126,460
– Other payables and accruals (excluding payroll and welfare payables and other tax payables)	5,537	5,114	8,751
– Borrowings	59,958	56,944	41,231
– Lease liabilities	9,905	11,730	8,844
	170,996	153,858	185,286

33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(a) Financial assets

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 3
	RMB'000
As at December 31, 2023	
Financial assets at FVTOCI	
– Notes receivables measured at FVTOCI	4,000
As at December 31, 2024	
Financial assets at FVTOCI	
– Notes receivables measured at FVTOCI	4,219
As at December 31, 2025	
Financial assets at FVTOCI	
– Notes receivables measured at FVTOCI	10,194

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and financial liabilities at FVTPL.

(ii) Valuation techniques used to determine fair values

The valuation of the level 3 instruments mainly included financial assets at fair value through other comprehensive income. As these instruments are not traded in an active market, their fair values have been determined by using discounted cash flows approach.

(iii) Fair value measurements using significant unobservable inputs (level 3)

During the Track Record Period, there was no transfer between Level 1 and Level 2 and into or out of Level 3.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurement.

	Fair value hierarchy	As at December 31,			Valuation technique and key input	Relationship of significant unobservable input to fair value
		2023	2024	2025		
		RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTOCI						
Notes receivables measured at FVTOCI	Level 3	4,000	4,219	10,194	Discount rate	The higher the discount rate, the lower the fair value

The Group performed sensitivity test to changes in unobservable inputs in determining the fair value of notes receivables measured at FVTOCI. The changes in unobservable inputs including discount rates will result in a significantly higher or lower fair value measurement. The increase/decrease in the fair value of notes receivables measured at FVTOCI would increase/decrease the fair value change in the consolidated statements of other comprehensive loss. When performing the sensitivity test, management applied an increase or decrease to each unobservable input, which represents management's assessment of reasonably possible change to these unobservable inputs.

As of December 31, 2023, 2024 and 2025, increasing/decreasing the discount rate by 5% would decrease/increase the fair value of notes receivables measured at FVTOCI by RMB22,000, RMB20,000 and RMB50,000, respectively.

The fair value of trade receivables, other receivables, cash and cash equivalents, trade payables, other payables and accruals (excluding payroll and welfare payables and other taxes payables), borrowings and lease liabilities approximated their carrying amounts due to their short maturities or interest bearing.

The movement during the Track Record Period in the balance of Level 3 fair value measurements is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVOCI – Notes receivables			
At the beginning of the year	–	4,000	4,219
Additions	36,760	65,930	57,031
Disposals	(32,760)	(65,711)	(51,056)
At the end of the year	4,000	4,219	10,194

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly comprise cash and cash equivalents, financial assets at FVTOCI, bank and other borrowings and lease liabilities, the main purpose of which is to support for the operations of the Group. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables, other payables and accruals, which arise directly from its operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarized below.

Foreign currency risk

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Company's functional currency is RMB. The Company's subsidiaries were incorporated in Chinese mainland and Hong Kong and these subsidiaries considered RMB and USD as their functional currency, respectively.

The Group is primarily exposed to changes in RMB/USD exchange rates. As at December 31, 2023 and 2024 and 2025, if USD exchange rate against RMB had increased/decreased 5% with all other variables held constant, the Group's net profits for the year would have been RMB182,000, RMB287,000 and RMB709,000 higher/lower as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents and trade receivables.

Interest rate risk

The Group's interest rate risk primarily arises from interest-bearing borrowings and lease liabilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates, and lease liabilities bearing fixed rates expose the Group to fair value interest rate risk.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023, 2024 and 2025:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Floating rate instrument			
– Borrowings	26,000	45,300	41,200

If interest rates of floating rate instruments had been 50 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher approximately RMB89,000, RMB129,000 and RMB128,000 as at December 31, 2023, 2024 and 2025.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk).

As at the end of each reporting period, the Group held no equity instruments, commodity instruments, funds or other price-sensitive financial assets or liabilities. The Group's financial instruments consist primarily of cash and cash equivalents, trade receivables, notes receivables measured at FVOCI, other receivables, trade payables, lease liabilities and borrowings, which are not subject to significant fluctuations in equity or commodity prices.

Accordingly, the Group has no material exposure to other price risk, and a sensitivity analysis has not been presented.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortized cost and notes receivables measured at FVTOCI as disclosed in Note 32 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at December 31, 2023, 2024 and 2025, The Group have no credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash and cash equivalents

To manage risk arising from cash and cash equivalents, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**"), inflation rates and M2 money supply to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group's trade receivables as described in Note 18 mainly represented receivables received from the sales of products to customers.

Except for trade receivables assessed for credit risk on an individual basis, the Group groups its trade receivables into one portfolio based on common credit risk characteristics.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses

As of December 31, 2023, 2024 and 2025, the allowance for impairment for the trade receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Expected loss rate
	RMB'000	*RMB'000*	*%*
As at December 31, 2023			
Assessed based on grouping	35,000	(718)	2.05%
Assessed individual	1,383	(1,383)	100.00%
	36,383	(2,101)	5.77%
As at December 31, 2024			
Assessed based on grouping	19,265	(494)	2.56%
Assessed individual	1,573	(1,573)	100.00%
	20,838	(2,067)	9.92%
As at December 31, 2025			
Assessed based on grouping	16,483	(163)	0.99%
Assessed individual	1,610	(1,610)	100.00%
	18,093	(1,773)	9.80%

(c) Note receivables measured at FVOCI

The Group assessed that there was no significant credit risk associated with the note receivables measured at FVOCI as they were issued by large-size banks. The Group did not expect that there would be any significant losses from non-performance by these reputable banks.

(d) Other receivables

The other receivables mainly comprise deposits and other assets accounted as amortized cost and amounts due from related parties. The management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences and collateral, if any. The Group measures credit risk using probability of default and loss given default. The maximum exposure at the end of the reporting period is the carrying amount of other receivables.

- Other receivables that are not credit-impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The expected credit loss is measured on lifetime basis.

For the amounts due from related parties, the management of the Group assesses credit risk as minimal given no historical defaults incurred and all balances have been settled as at December 31, 2025. Accordingly, no loss allowance was made for amounts due from related parties.

For other receivables other than amounts due from related parties, as there has been no significant increase in credit risk since initial recognition, all of the Group's other receivables as at December 31, 2023, 2024 and 2025 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis. The following table sets forth the ECL allowance for other receivables other than amounts due from related parties as at December 31, 2023, 2024 and 2025:

	Gross carrying amount	ECL allowance	Expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Other receivables	5,887	(992)	16.85%
As at December 31, 2024			
Other receivables	4,917	(852)	17.33%
As at December 31, 2025			
Other receivables	5,712	(1,000)	17.51%

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyzes the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each year for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows or the carrying amount of the financial liabilities to be delivered.

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
Trade payables	95,596	–	–	–	95,596
Other payables and accruals	5,537	–	–	–	5,537
Bank and other borrowings	26,636	–	37,687	–	64,323
Lease liabilities	4,434	2,812	1,441	1,921	10,608
	132,203	2,812	39,128	1,921	176,064
As at December 31, 2024					
Trade payables	80,070	–	–	–	80,070
Other payables and accruals	5,114	–	–	–	5,114
Bank and other borrowings	46,119	12,261	–	–	58,380
Lease liabilities	3,326	3,326	3,515	2,554	12,721
	134,629	15,587	3,515	2,554	156,285
As at December 31, 2025					
Trade payables	126,460	–	–	–	126,460
Other payables and accruals	8,751	–	–	–	8,751
Bank and other borrowings	41,911	–	–	–	41,911
Lease liabilities	3,326	3,515	2,554	–	9,395
	180,448	3,515	2,554	–	186,517

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern by pricing services commensurately with the level of risk so that it can continue to provide returns and benefits to the shareholders and other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	237,615	225,575	291,861
Total liabilities	203,096	178,086	214,180
Liability-to-asset ratio	85.47%	78.95%	73.38%

35. DIVIDENDS

No dividend has been paid or declared by the Company or the subsidiaries of the Company during each of the years ended December 31, 2023, 2024 and 2025.

36. COMMITMENTS

At the end of each year for the Track Record Period, the Group has no material commitments contracted but not provided for in the Historical Financial Information.

37. CONTINGENCIES

As at December 31, 2023, 2024 and 2025, there were no significant contingencies items for the Group and the Company.

38. EVENT AFTER THE END OF THE REPORTING PERIOD

(i) On March 18, 2026, pursuant to the general meeting of the shareholders, the shareholders of the Company resolved to approve a share incentive scheme for the purpose of providing share incentives to certain directors and employees contributing to the Group. A total of 1,513,000 restricted shares was granted at a total cash consideration of RMB6,704,000.

(ii) Pursuant to the **[REDACTED]** investment agreements entered into on June 1, 2026, the Company issued a total of 858,750 ordinary shares for a total cash consideration of RMB50,000,000 to certain external investors. In June 2026, the consideration was fully paid.

(iii) Pursuant to the resolutions of the shareholders of the Company passed on June 22, 2026, the **[REDACTED]** was approved, under which each share with a par value of RMB1 in the share capital of the Company will be **[REDACTED]** into **[REDACTED]** shares with a par value of RMB**[REDACTED]** each. The **[REDACTED]** will take effect upon the **[REDACTED]** becoming unconditional and immediately prior to the completion of the **[REDACTED]**. Following the **[REDACTED]**, the Group's registered capital will be RMB21,468,750, divided into **[REDACTED]** shares, each with a par value of RMB**[REDACTED]**.

(iv) There are no other material subsequent events affecting the consolidated financial statements.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF SECURITIES HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on the laws in effect and relevant interpretations as at the Latest Practicable Date. All laws and interpretations are subject to changes or adjustments, which may have retrospective effect, and no corresponding comments or advice will be made. The discussion does not deal with all possible tax consequences relating to **[REDACTED]** in the H Shares, nor does it take into account the specific circumstances of any particular **[REDACTED]**, some of which may be subject to specific rules. Accordingly, you should consult your own tax adviser regarding the tax consequences of any **[REDACTED]** in H Shares.

The discussion does not address any tax issues of the PRC other than income tax, capital gains tax, profit tax, sales tax, value-added tax, stamp duty and estate tax. You should consult your advisers regarding the PRC and other tax consequences involved in the purchase, ownership and disposal of H Shares.

THE PRC TAXATION

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC（《中華人民共和國個人所得稅法》）, which was last amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC（《中華人民共和國個人所得稅法實施條例》）, which was last amended on December 18, 2018 (collectively referred to as the "**IIT Law**"), dividends distributed by the PRC enterprises are subject to individual income tax levied at a flat rate of twenty per cent. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of twenty per cent unless specifically exempted by the tax authority of the State Council or being eligible for any relief under the applicable tax treaties.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Arrangement**"), signed on August 21, 2006 and implemented on December 8, 2006, the Chinese government may levy tax on dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), provided that the tax levied shall not exceed ten per cent of the total dividends payable by the Chinese company. Where a Hong Kong resident directly has twenty-five per cent or more of shareholding in a Chinese company, the tax levied shall not exceed five per cent of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes of Income（《國家稅務總局關於內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排第五議定書》）issued by the State Administration of Taxation, which came into force on December 6, 2019, stipulates that the relevant provisions shall not apply to arrangements or transactions where one of the principal purposes is to obtain preferential tax treatment.

Pursuant to the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045（《國家稅務總局關於國稅發 [1993] 045號文件廢止後有關個人所得稅徵管問題的通知》）issued by the State Administration of Taxation on June 28, 2011, dividend income received by overseas resident individual shareholders from shares issued in Hong Kong by domestic non-foreign-invested enterprises shall be classified under the category of "interest, dividends and bonuses", and the withholding agent shall withhold and remit personal income tax in accordance with the laws. When a domestic non-foreign-invested enterprise that issues shares in Hong Kong distributes dividends to non-resident individuals in jurisdictions with which the PRC has signed a tax treaty, individual income tax is generally withheld at a rate of 10%. Where the individual H shareholder receiving the dividends is a resident of a country that has signed a tax treaty with the PRC providing for a tax rate lower than 10%, the non-foreign-invested enterprise with shares listed in Hong Kong may apply on behalf of the relevant holder for entitlement to the lower preferential tax treatment. Upon the review and approval by the competent tax authority, any excess tax withheld shall be refunded. Where the individual H shareholder receiving dividends is a resident of a country that has signed a tax treaty with the PRC stipulating a tax rate higher than 10% but lower than 20%, the non-foreign-invested enterprise shall withhold tax at the rate specified in the treaty without the need to submit an application. Where the individual H shareholder receiving dividends is a resident of a country that has not signed a tax treaty with the PRC, or in other circumstances, the non-foreign-invested enterprise shall withhold tax at a rate of 20%.

Corporate investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), promulgated by the National People's Congress on March 16, 2007 and last amended on December 29, 2018, and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007 and last amended on December 6, 2024 (collectively referred to as the "**Enterprise Income Tax Law**"), where a non-resident enterprise does not have an establishment or premise within the territory of the PRC, or where the income derived has no actual connection with an establishment or premise although it has an establishment or premise, it shall generally be liable to pay a ten per cent enterprise income tax on income derived from the PRC (including dividends received from the PRC resident enterprises). The aforementioned income tax payable by non-resident enterprises shall be withheld at source, and the payer of the income shall withhold taxes from the payments made to the non-resident enterprise. Such withholding tax may be reduced or exempted under applicable treaties for the avoidance of double taxation.

Under the Arrangement, the Chinese government may levy taxes on dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities), provided that the tax levied shall not exceed ten per cent of the total amount of dividends payable by that Chinese company. Where a Hong Kong resident directly holds at least twenty-five per cent of the shares in that Chinese company, the tax levied shall not exceed five per cent of the total amount of dividends. The Fifth Protocol of the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《國家税務總局關於內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排第五議定書》), promulgated by the State Administration of Taxation and implemented on December 6, 2019, contains provisions regarding the "determination of eligibility for the treatments of the Arrangement". Notwithstanding any other provisions in the Arrangement, where, having regard to all relevant facts and circumstances, it is reasonably considered that the relevant income is one of the principal purposes of the Arrangement or transaction and shall result in any direct or indirect benefit under the Arrangement, the agreed benefits under the determination shall not be granted, unless the granting of such benefits in this case is consistent with the relevant objectives and purposes of the Arrangement. The application of the dividend clauses in tax treaties is subject to the PRC tax laws and regulations, such as the Notice of the State Administration of Taxation on Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

The Notice on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shareholders who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)), promulgated and implemented by the State Administration of Taxation on November 6, 2008, further clarified that when a Chinese resident enterprise distributes dividends to H shareholders which are overseas non-resident enterprises for 2008 and subsequent years, enterprise income tax shall be withheld and remitted at the rate of ten per cent.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC shall be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from Chinese companies. The PRC currently has entered into treaties or arrangements for avoidance of double taxation with a number of countries and regions including but not limited to the Hong Kong Special Administrative Region, the Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

TAXATION ON SHARE TRANSFERS

Value Added Tax ("VAT") and Local Surcharges

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), promulgated on December 25, 2024 and implemented on January 1, 2026, the transfer of financial products is subject to the Chinese VAT in the following circumstances: (1) where the financial products are issued within the territory of China; or (2) where the seller is a domestic entity or individual.VAT taxpayers are also required to pay the urban maintenance and construction tax, the education surcharge and the local education surcharge (collectively as "**Local Surcharges**"). These Local Surcharges are calculated based on the actual amount of VAT payable. Where no VAT is payable, no Local Surcharges shall arise.

Income Tax

Individual Investors

Pursuant to the IIT Law, income on the disposal of equity interests in the PRC resident enterprises are subject to individual income tax at the rate of twenty per cent. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》(財稅字[1998]61號)) issued by the Ministry of Finance and the State Administration of Taxation on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed companies continues to be exempted from individual income tax. The Notice on Related Issues Concerning Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》(財稅[2009]167號)), jointly issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on December 31, 2009 and implemented on the same date, stipulated that income derived from the transfer of A Shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be temporarily exempted from individual income tax, except for the relevant restricted shares as defined in the Supplementary Notice on Related Issues Concerning Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(財稅[2010]70號)) which was jointly issued by the three institutions as aforesaid on November 10, 2010). On December 27, 2024, the State

Administration of Taxation, the Ministry of Finance and the CSRC jointly issued the Announcement on Further Improving Levying, Administration and Service Matters Concerning Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於進一步完善個人轉讓上市公司限售股所得個人所得稅有關征管服務事項的公告》), which stipulated that where this announcement conflicts with Cai Shui [2009] No. 167, this announcement shall prevail. As of the Latest Practicable Date, the aforesaid provisions have not expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in the PRC resident enterprises listed on overseas stock exchanges.

Corporate Investors

Pursuant to the Enterprise Income Tax Law (《企業所得稅法》), where a non-resident enterprise does not have an establishment or premise within China, or where the income derived has no actual connection with an establishment or premise in China although such establishment or premise already exists, the enterprise is generally required to pay an enterprise income tax of ten per cent on income sourced from China. Such income tax for non-resident enterprises is subject to withholding at source. On each occasion that a payment is made to a non-resident enterprise, the withholding agent must withhold tax from the payment or amount payable. Such tax may be reduced or exempted under relevant tax treaties or treaties for avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》), which was issued on June 10, 2021 and came into effect on July 1, 2022, it was stipulated that entities and individuals who conclude taxable documents and engage in securities transactions within the territory of the PRC or conclude taxable documents outside the PRC for use within the PRC shall be taxpayers of stamp tax. Accordingly, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

Under the Enterprise Income Tax Law (《企業所得稅法》), resident enterprises shall be subject to enterprise income tax at a rate of twenty-five per cent on their income from sources within and outside the PRC. Foreign-invested enterprises within the PRC that fall within the category of resident enterprises are subject to enterprise income tax at a rate of twenty-five per cent on their income from sources within and outside the PRC. Enterprises established in accordance with the laws of a foreign country (or region) but whose actual administration institutions (referring to the institutions conducting substantive and all-around management and control over the enterprises' production, operation, personnel, accounting matters, finance, etc.) are in the PRC are deemed as resident enterprises and are generally required to enterprise income tax at a rate of twenty-five per cent on their income derived from sources within and outside the PRC. High-tech enterprises that require key support from the state are subject to enterprise income tax at a rate of fifteen per cent.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), entities and individuals engaged in taxable activities within the PRC (including sales of goods, provision of services, sales of intangible assets, sales of real estate and imports of goods) are subject to VAT.

The current applicable VAT rates are as follows: the rate is thirteen per cent for activities including sales of goods, processing, repair and maintenance services, leasing of tangible chattels, or imports of goods; nine per cent for sales of transport, postal, basic telecommunications, construction and real estate leasing movable properties services, sales of real estate, transfers of land use rights, or sales or imports of specified goods; six per cent for sales of services or intangible assets; and zero tax rate for exports of goods or cross-border sales of services and intangible assets within the scope as prescribed by the State Council.

Foreign Exchange Administration in the PRC

The lawful currency of the PRC is Renminbi. The State Administration of Foreign Exchange under the People's Bank of China (the "**PBOC**") is responsible for administering all matters relating to foreign exchange, including the enforcement of regulations on foreign exchange control.

The Foreign Exchange Administration Regulation of the PRC (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, implemented on April 1, 1996 and last amended on August 5, 2008, classifies all international receipts, payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the authenticity of transaction documents and the consistency of the foreign exchange receipts and payments by financial institutions engaged in settlement and sales of foreign exchange and supervision and inspection by the foreign exchange administrative authorities. For capital items, overseas institutions and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, complete registration procedures with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital items are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities.

The Regulations for the Administration of Settlement, Sales and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on conversion of foreign exchange under current items, while reserving existing restrictions on foreign exchange transactions under capital items.

Pursuant to the relevant laws and regulations in the PRC, Chinese enterprises (including foreign-invested enterprises) which need foreign exchange for transactions under current items may, without the approval of the foreign exchange administrative authorities, effect payments through foreign exchange accounts opened at the designated foreign exchange banks upon the presentation of valid transaction evidence and documents. Foreign-invested enterprises which need foreign exchange for the distribution of profits to their shareholders and Chinese enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the Board or the general meeting on the distribution of profits, effect payments from foreign exchange accounts, or effect exchanges and payments at the designated foreign exchange banks.

Pursuant to the Decisions on Matters including Cancelling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, the approval requirement of the State Administration of Foreign Exchange and its branches for the repatriation and settlement of the proceeds raised from the overseas listing into Renminbi domestic accounts has been cancelled.

Pursuant to the Circular of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued on February 13, 2015 and came into effect on June 1, 2015, the State Administration of Foreign Exchange has abolished the two administrative approval matters concerning the registration and approval of foreign exchange for domestic direct investment and overseas direct investment. Instead, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The State Administration of Foreign Exchange and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the Circular of the State Administration of Foreign Exchange on Reforming and Standardizing Policies on Administration of Foreign Exchange Settlement of Capital Items (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), issued and implemented by the State Administration of Foreign Exchange on June 9, 2016, the relevant policies clearly stipulated that for income from foreign exchange of capital items subject to voluntary foreign exchange settlement (including funds repatriated from overseas listings), domestic institutions may settle the foreign exchange at banks based on their actual operational needs. The proportion of income from foreign exchange of capital items subject to voluntary foreign exchange settlement by domestic institutions is provisionally set at one hundred per cent, and the State Administration of Foreign Exchange may adjust this proportion as appropriate in light of the profile of international receipts and payments.

Pursuant to the Circular on Issues Concerning the Management of Funds for Overseas Listings by Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which was promulgated by the PBOC and the State Administration of Foreign Exchange on December 24, 2025 and came into effect from April 1, 2026, when a domestic enterprise is listed overseas, it shall submit the overseas listing registration documents to a bank in its place of registration, open an account for settlement of capital items related to the initial or subsequent issuance and share repurchase, and handle the exchange settlement, transfer and remittance of relevant funds through that designated account. Funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to the territory of the PRC or deposited overseas in a timely manner, and their uses shall be consistent with the purposes set out in the document or other publicly disclosed documents (such as issuance documents of corporate bonds, board resolutions or resolutions of general meetings). If domestic funds are used for share repurchase, the company shall complete the registration of such changes prior to the proposed buyback.

The PRC Legal System

The PRC legal system is based on the Constitution of the People's Republic of China (《中華人民共和國憲法》) (the "**Constitution**") and comprises written laws, administrative regulations, local regulations, departmental rules and local government rules, ratified international treaties, and supplementary normative documents. Court rulings do not constitute legally binding precedents, but may be used as judicial references. The Supreme People's Court may issue judicial interpretations that are binding in fact.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (2023 Revised Edition), the legislative power is vested to the National People's Congress ("**NPC**") and its Standing Committee. The NPC enacts fundamental laws governing civil and criminal matters and state organs; the Standing Committee of the NPC enacts the laws other than fundamental laws and may, during the recess of the NPC, supplement and amend the laws enacted by the NPC, provided that such laws so supplemented and amended do not conflict with the fundamental principles of those laws.

The State Council, as the highest administrative organ, enacts administrative regulations. Provincial-level People's Congresses may enact local regulations in accordance with the specific circumstances and practical needs of their respective regions, provided that they comply with superior laws. Ministries and committees under the State Council, as well as local governments, may enact rules within the scope of their authorisation.

The Constitution has supreme legal authority. All laws and regulations must conform to the Constitution; the authority of laws takes precedence over that of administrative regulations, local regulations and rules, while the authority of administrative regulations takes precedence over that of local regulations and rules.

The NPC is empowered to repeal laws enacted by the Standing Committee of the NPC or regulations approved by it that conflict with the Constitution or the Legislation Law. The Standing Committee of the NPC is empowered to repeal administrative regulations and local regulations that conflict with the Constitution or laws. The State Council and provincial-level organs have similar powers to repeal and amend subordinate rules.

Under the Constitution and the Legislation Law, the power to interpret laws is vested exclusively to the Standing Committee of the NPC. Pursuant to the 1981 Resolution on Strengthening the Legal Interpretation, the Supreme People's Court may interpret issues concerning the specific application of laws in trials. Enacting bodies of administrative and local rules retain the power to interpret the rules they have promulgated.

The PRC Judicial System

Pursuant to the Constitution and the Organisation Law of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) (2018 Revised Edition), the judicial system comprises the Supreme People's Court, local People's Courts at all levels (basic, intermediate and higher People's Courts) and special People's Courts. Superior People's Courts supervise the trials of subordinate People's Courts, while the People's Procuratorates exercise legal supervision over civil proceedings. The Supreme People's Court supervises the trials nationwide.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (2023 Revised Edition), which came into force on January 1, 2024, governs civil proceedings, including jurisdiction, rules of procedure and the enforcement of judgments. Civil cases generally fall within the jurisdiction of the People's Court where the defendant is domiciled. The parties may agree in writing to select a People's Court with jurisdiction (such as the place of the plaintiff's domicile, the place of the defendant's domicile, or the place of performance of the contract), provided that such selection complies with the provisions on hierarchical jurisdiction and exclusive jurisdiction.

Foreign parties shall be entitled to the same litigation rights as Chinese parties, but shall engage a Chinese lawyer to represent them in proceedings. The principle of reciprocity applies: if a foreign court restricts the litigation rights of a Chinese party, the Chinese People's Court may impose corresponding restrictive measures on parties from that foreign country. International judicial assistance (such as the service of documents and the taking of evidence) may be provided in accordance with treaties or the principle of reciprocity, subject to exceptions related to sovereignty and the public interest.

Judgments and arbitral awards that have taken legal effect shall be enforced. In the event of non-compliance, the prevailing party may apply to the People's Court for the enforcement within two years. Where the judgment debtor or assets are located abroad, an application for recognition and enforcement may be made directly to a foreign court, or through treaties and the principle of reciprocity. Likewise, Chinese courts recognise and enforce effective judgments of foreign courts that meet the prescribed conditions, provided that such recognition does not violate fundamental legal principles, sovereignty, security or the social public interest.

Company Law of the PRC

The Company Law of the PRC was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018.The latest revised edition was made on December 29, 2023 and came into effect on July 1, 2024. A summary of the main provisions of the Company Law is as follows.

General Provisions

A joint stock limited company is a corporate legal person incorporated in the PRC under the Company Law who has independent legal person property and the rights over such legal person property. A company shall be liable for the debts of the company with all its assets. The shareholders of a joint stock limited company shall be liable to the company to the extent of the number of shares subscribed by them.

Establishment

A joint stock limited company may be established by way of promotion or subscription. A joint stock limited company shall be established by a minimum of one but not more than 200 promoters, and at least half of the promoters shall have residence within the PRC. Where a joint stock limited company is established by way of promotion, the promoters shall subscribe for the entire shares to be issued upon the establishment of the company as stipulated in the articles of association. Where a joint stock limited company is established by way of subscription, the shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued upon the establishment of the company as stipulated in the articles of association, unless otherwise provided by the laws or administrative regulations.

Where a joint stock limited company is established by way of promotion, the promoters shall subscribe for the entire shares to be issued upon the establishment of the company as stipulated in the articles of association, and shall contribute capital in accordance with the provisions of the articles of association. Where capital is contributed in the form of non-monetary property, the procedures for the transfer of property rights shall be completed in accordance with the laws. Where a promoter fails to contribute capital in accordance with the preceding paragraph, or where the actual price of the non-monetary property contributed is significantly lower than the price of the shares subscribed for, other promoters shall bear joint liabilities with that promoter to the extent of the shortfall in capital contribution. After the promoters have fully made their subscriptions and capital contributions in accordance with the articles of association, they shall elect the board of directors and the supervisory board; the board of directors shall then submit other documents prescribed by the articles of association and the laws and administrative regulations to the company registration authority to apply for the registration of establishment.

Where a company is established by way of subscription, the shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued upon the establishment of the company as stipulated in the articles of association, unless otherwise provided by laws or administrative regulations. Where promoters offer shares to the public, they shall publish a document and prepare a subscription letter. The subscription letter shall specify the number of shares subscribed for, the amount of the subscription and the subscribers' domicile, and shall be signed or sealed by the subscriber. Subscribers shall pay the subscription monies in full in accordance with the shares subscribed. Where a company publicly offers shares to the public, the offering shall be underwritten by a securities company lawfully established, and an underwriting agreement shall be entered into. Where a company offers shares to the public, it shall also enter into agreement with a bank for the collection of subscription monies. The bank collecting the subscription monies shall, in accordance with the agreement, collect and hold the payments, issue receipts to subscribers who have paid the subscription monies, and shall be obliged to issue proof of receipt to the relevant authorities. Once the subscription monies for the issued shares have been paid in full, they shall be verified by a capital verification institution established in accordance with the laws, which shall issue a certificate of payment receipt. The promoters shall, upon the establishment of the company, convene the inaugural meeting of the company within thirty days from the date on which the subscription monies are paid in full. The inaugural meeting shall be composed of subscribers, and the voting rights held by the subscribers attending the meeting shall constitute a majority. If the shares issued upon the establishment of the company have not been fully subscribed, or if the shares issued have not been fully subscribed by the deadline specified in the document, or if the promoters have failed to convene the inaugural meeting within thirty days after the subscription monies have been paid in full, the subscribers may demand that the promoters return the subscription monies already paid, together with interest calculated at the rate applicable to bank deposits for the same period. Within thirty days after the conclusion of the inaugural meeting, the board of directors shall authorise its representative to apply to the company registration authority for the registration of incorporation. Upon registration by the company registration authority and the issuance of a business licence, the company shall be deemed to have been incorporated and have the capacity of a legal person.

The legal consequences of civil acts performed by the shareholders at the time of the company's establishment for the purpose of establishing the company shall be borne by the company. If the company is not incorporated, the legal consequences shall be borne by the shareholders at the time of establishment. Where there are two or more such shareholders at the time of establishment, they shall be entitled to joint and several rights over claims and bear joint and several liabilities on debts. In respect of civil liabilities arising from civil acts performed by the shareholders at the time of establishment in their own names for the purpose of establishing the company, a third party shall have the right to choose to claim against either the company or the shareholders at the time of establishment. Where a founding shareholder causes harm to another person in the course of performing duties relating to the establishment of the company, the company or the shareholders without fault shall bear liabilities and may subsequently seek recourse against the shareholder at fault.

Registered Capital

Promoters may make a capital contribution in the form of currency, or in the form of non-monetary property such as in kind, intellectual property rights, land use rights, equity interests or claims, which can be appraised with monetary value and transferred lawfully, except for property prohibited from being used as capital contributions under the laws and administrative regulations. Non-monetary property as capital contribution shall be appraised and verified; the valuation shall not be overstated or understated. Where the laws and administrative regulations contain provisions regarding the appraisal of value, such provisions shall prevail.

The issue of shares shall be conducted in accordance with the principles of fairness and impartiality. Each share of the same class shall carry equal rights. For shares of the same class issued at the same time, the terms and price per share shall be the same. All subscribers shall pay the same price for each share subscribed. A company issuing class shares shall specify the following matters in its articles of association: (1) the order of distribution of profits or residual property to class shares; (2) the number of voting rights per class share; (3) restrictions on the transfer of class shares; (4) measures to protect the rights and interests of minority shareholders; (5) other matters deemed necessary to be specified by the shareholders' meeting.

The shares of a company shall take the form of share certificates. A share certificate is an evidence issued by the company certifying the shares held by a shareholder. Shares issued by a company shall be registered shares. The issue price of share certificates with a par value may be equal to or exceed the par value, but shall not be less than the par value. A company within the PRC wishing to offer shares to the public overseas shall submit a filing report with the CSRC. Pursuant to the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**"), the target investors for the overseas issuance and listing of domestic enterprises shall be overseas investors, unless otherwise provided for in the Interim Measures or by national regulations.

Increase in Registered Capital

Pursuant to the relevant provisions of the Company Law, where a company issues new shares, a resolution shall be made by the shareholders' meeting in accordance with the provisions of the articles of association. The resolution shall specify the class and number of new shares, the issue price of new shares, the starting and closing dates of the issue, and the class and number of new shares to be issued to existing shareholders. Where shares without par value are issued, a resolution shall also be made regarding the amount of the proceeds from the issue of new shares to be credited to the registered capital.

Reduction of Registered Capital

A company reducing its registered capital shall follow the procedures prescribed in the Company Law as follows: (1) the company shall prepare a balance sheet and a list of property; (2) the reduction of registered capital shall be approved by a resolution at the shareholders' meeting;(3) the company shall notify its creditors within ten days after the date of the resolution to reduce the registered capital, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days; (4) creditors shall have the right to demand that the company settle its debts or provide corresponding guarantees within thirty days after the receipt of such notice, or within forty-five days from the date of announcement if they have not received such notice; and (5) the company shall apply to the company registration authority for a registration of change.

Share Repurchase

Pursuant to the Company Law, a company shall not acquire its own shares, except in any of the following circumstances: (1) to reduce the company's registered capital; (2) to merge with another company holding shares in the company; (3) to use shares for an employee share ownership scheme or share incentive; (4) where shareholders objecting to a resolution of the shareholders' meeting regarding a merger or demerger of the company request the company to acquire their shares; (5) where shares are used to convert corporate bonds issued by a listed company that are convertible into shares; and (6) where it is necessary for a listed company to safeguard the company's value and the rights and interests of shareholders.

Where the company acquires its own shares in accordance with the above provisions, in the case of circumstance (1), such shares shall be cancelled within ten days from the date of acquisition; where the circumstances fall under (2) and (4), such shares shall be transferred or cancelled within six months; where the circumstances fall under (3), (5) and (6), the total number of its own shares held by the company shall not exceed 10% of the total number of the company's issued shares, and such shares shall be transferred or cancelled within three years.

Where a listed company acquires its own shares, it shall fulfil its information disclosure obligations pursuant to the provisions of the Securities Law of the PRC (《中華人民共和國證券法》). Where a listed company acquires its own shares in circumstances falling under (3), (5) and (6) of this Article, such acquisition shall be conducted through public centralised trading.

The company shall not accept its own shares as the subject of pledge.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the law. Pursuant to the Company Law, the transfer of shares by a shareholder shall be conducted on a legally established stock exchange or in any other manner prescribed by the State Council. The transfer of shares shall be effected by the shareholder endorsing the reverse of the share certificate or in any other manner prescribed by laws and administrative regulations. Following the transfer, the company shall record the name and domicile of the transferee in the register of members. No changes to the register of members shall be made within 20 days prior to the convening of a shareholders' meeting or within 5 days prior to the record date of entitlement for the distribution of dividends, unless otherwise provided for in the laws, administrative regulations or by the State Council's securities regulatory authority regarding changes to the register of members of listed companies.

Pursuant to the Company Law, shares issued prior to a public offering of a company shall not be transferred within one year from the date on which the company's shares are listed for trading on a stock exchange. Where laws, administrative regulations or the State Council's securities regulatory authority provide otherwise for the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail.

Directors, supervisors and senior management of a company shall declare to the company the shares they hold in the company and any changes thereto. During their term of office, the number of shares transferred in any particular year shall not exceed 25% of the total number of shares they hold in the company. The aforementioned personnel shall not transfer the shares they hold in the company within one year from the date on which the company's shares are listed for trading, nor shall they transfer such shares within six months from leaving office. The articles of association may impose other restrictive provisions on the transfer of shares held by the company's directors, supervisors and senior management. Where shares are pledged during the restricted transfer period prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge right during that period.

Shareholders

Pursuant to the Company Law, the rights of shareholders include: (1) the right to receive returns on assets, participate in major decision-making and select management personnel; (2) where the procedures for convening shareholders' meetings or meetings of the board of directors, or the voting methods, contravene the laws, administrative regulations or the articles of association, or where the content of a resolution contravenes the articles of association, the right to petition the People's Court to revoke such resolution within sixty days from the date of its adoption; (3) the right to transfer their shares in accordance with the laws;(4) the right to attend or to appoint a proxy to attend shareholders' meetings and exercise voting rights; (5) the right to inspect and reproduce the articles of association, the register of members, minutes of shareholders' meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports, and to make suggestions or raise queries regarding the company's operations; (6) the right to receive dividends in proportion to the number of shares held; (7) upon the liquidation of the company, the right to participate in the distribution of the company's residual property in proportion to the number of shares held; and (8) other shareholder rights as stipulated by the laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include complying with laws, administrative regulations and the Articles of Association, exercising the shareholders' rights according to law, paying the subscription monies for the shares subscribed for, bearing liabilities for the company's debts to the extent of the number of shares subscribed for, and other obligations as stipulated in the articles of association.

After the company's incorporation, the board of directors shall verify the capital contributions of shareholders. If it is found that a shareholder has failed to pay the capital contribution as specified in the articles of association in full as scheduled, the company shall issue a written demand for payment to that shareholder. If the failure to fulfil the obligation specified in the preceding paragraph in a timely manner causes any loss to the company, the directors responsible shall bear liabilities for compensation. Where a shareholder fails to pay the capital contribution by the date as specified in the articles of association, and the company issues a written demand for payment in accordance with the preceding paragraph, the demand may specify a grace period for the payment of capital contribution; such grace period shall be no less than sixty days from the date on which the demand is issued by the company. If, upon expiry of the grace period, the shareholder still fails to fulfil his/her obligation on capital contribution, the company may, by a resolution of the board of directors, issue a notice of forfeiture, which shall be issued in writing, to that shareholder. From the issue date of the notice, the shareholder shall forfeit the equity interests corresponding to the unpaid capital contribution. The equity interests forfeited in accordance with the preceding paragraph shall be transferred in accordance with the laws, or the registered capital shall be reduced accordingly and the equity interests shall be cancelled; if the equity interests are not transferred or cancelled within six months, other shareholders of the company shall pay the corresponding capital contribution in full in proportion to their capital contributions. If a shareholder objects to the forfeiture, he or she shall bring an action before the People's Court within thirty days from the receipt of such notice of forfeiture.

Shareholders' Meeting

The shareholders' meeting is the company's governing body and shall exercise its functions and powers in accordance with the Company Law. The shareholders' meeting may exercise the following functions and powers: (1) to elect and replace directors and supervisors, and to determine matters related to the remuneration of directors and supervisors; (2) to consider and approve the reports of the board of directors; (3) to consider and approve the reports of the board of supervisors; (4) to consider and approve the company's profit distribution proposals and proposals of making up losses;(5) to make resolutions on the increase or reduction of the company's registered capital; (6) to resolve the issue of corporate bonds; (7) to resolve the merger, demerger, dissolution, liquidation or change of the company's form; (8) to amend the articles of association; and (9) to exercise other functions and powers as prescribed in the articles of association. The shareholders' meeting may authorise the board of directors to resolve the issue of corporate bonds.

Pursuant to the Company Law, the shareholders' meeting shall be convened once a year. An extraordinary shareholders' meeting shall be convened within two months in any of the following circumstances: (1) where the number of directors falls below two-thirds of the number as prescribed by the Company Law or the articles of association; (2) where the company's uncovered losses reach one-third of the total paid-up share capital; (3) where the request is made by shareholders holding, individually or collectively, 10% or more of the company's shares; (4) where the board of directors deems it necessary; (5) where the board of supervisors proposes to convene such meeting; or (6) other circumstances specified in the articles of association.

The shareholders' meeting shall be convened by the board of directors and chaired by the chairman. If the chairman is unable to perform his/her duties or fails to do so, the vice-chairman shall preside over the meeting. If the vice-chairman is unable to perform his/her duties or fails to do so, the meeting shall be presided over by a director jointly nominated by a majority of the directors. Where the board of directors is unable to perform or fails to perform its duty to convene a shareholders' meeting, the board of supervisors shall promptly convene and preside over the meeting. Where the board of supervisors fails to convene and preside over the meeting, shareholders holding, individually or collectively, 10% or more of the company's shares for ninety or more consecutive days may convene and preside over the meeting themselves. Where shareholders holding, individually or collectively, 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting, the board of directors and the board of supervisors shall, within ten days of the receipt of such request, decide whether to convene the extraordinary shareholders' meeting and provide a written response to the shareholders.

Pursuant to the Company Law, notices of shareholders' meetings shall be given to all shareholders twenty days prior to the meetings; such notices shall specify the date, venue and matters to be considered at the meeting. Notices of extraordinary shareholders' meetings shall be given to all shareholders fifteen days prior to the meetings.

Shareholders holding, individually or collectively, one per cent or more of the company's shares may submit a provisional proposal to the board of directors in writing ten days prior to the meeting. Such a provisional proposal shall specify clear issues and specific matters to be resolved. The board of directors shall notify other shareholders within two days from the receipt of such proposal and shall submit the provisional proposal to the shareholders' meeting for consideration, unless the content of the proposal violates the laws, administrative regulations or the articles of association, or falls outside the scope of functions and powers of the shareholders' meeting. The company shall not raise the shareholding threshold for shareholders submitting provisional proposals. A company whose shares are publicly offered shall issue the notices specified in the preceding two paragraphs by way of public announcements. The content of a provisional proposal shall fall within the scope of the functions and powers of the shareholders' meeting and shall include clear issues and specific matters to be resolved. The shareholders' meeting may not pass resolutions on matters not listed in the notice.

Pursuant to the Company Law, each share held by a shareholder present at the meeting shall carry one voting right, except for class shareholders. Shares in the company held by the company itself shall not carry voting rights.

When electing directors and supervisors, the shareholders' meeting may, in accordance with the provisions of the articles of association or a resolution of the shareholders' meeting, adopt a cumulative voting system. The cumulative voting system means that, when the shareholders' meeting elects directors or supervisors, each share carries a number of voting rights equal to the number of directors or supervisors to be elected, and the voting rights held by a shareholder may be concentrated for use in favour of one or more directors or supervisors at the time of voting.

Pursuant to the Company Law, the adoption of resolutions of the shareholders' meeting shall be passed by a majority of the voting rights held by the shareholders present at the meeting; however, the adoption of resolutions concerning the merger, demerger, dissolution, increase in or reduction of the registered capital, change of corporate form, or amendment of the articles of association shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where a shareholder appoints a proxy to attend a shareholders' meeting, the matters to be acted upon, the scope of authority and the duration of the proxy's mandate shall be clarified; the proxy shall submit the shareholders' power of attorney to the company and shall exercise voting rights within the scope of authorisation.

The shareholders' meeting shall prepare minutes of the decisions made on the matters considered, and the chairperson and directors present at the meeting shall endorse such minutes by signature. The minutes shall be kept together with the register of shareholders' attendance and the proxy forms.

Board of Directors

Pursuant to the Company Law, a joint stock limited company shall establish a board of directors; however, a joint stock limited company of a smaller scale or with a limited number of shareholders may choose not to establish a board of directors, but to appoint a single director instead to exercise the functions and powers of the board of directors as prescribed by the Company Law. Such director may also serve as the manager of the company.

Where a company's board of directors comprises three or more members, it shall include employee representatives of the company. In a company with limited liability having three hundred or more employees, unless a board of supervisors has been established in accordance with the laws and includes employee representatives of the company, the board of directors shall include employee representatives of the company. Employee representatives in the board of directors shall be elected by the company's employees at the employee representative assembly, employee assembly or other forms of democratic election.

Pursuant to the Company Law, a joint stock limited company shall establish a board of directors comprising three or more members. The board of directors may include employee representatives of the company as members, who shall be elected by the company's employees at the employees representative assembly, employees assembly or other forms of democratic election. The term of office of directors shall be prescribed in the articles of association, but shall not exceed three years for each session. Upon the expiry of a director's term of office, he or she may be re-elected. If a director's term expires but a re-election is not held in a timely manner, or if a director resigns during his or her term of office, thus resulting in the number of members in the board of directors to fall below the statutory minimum, the original director shall continue to perform his or her duties in accordance with the provisions of the laws, administrative regulations and the articles of association until the newly elected directors assume office. A director who resigns shall notify the company in writing; the resignation shall take effect upon delivery of the notice to the company. However, in the circumstances specified in the preceding paragraph, the director shall continue to perform his/her duties.

Pursuant to the Company Law, the board of directors shall exercise the following functions and powers: (1) to convene the shareholders' meeting and report its work status to the shareholders' meeting; (2) to implement the resolutions of the shareholders' meeting; (3) to determine the company's business plans and investment proposals; (4) to formulate the company's profit distribution proposals and proposals of making up losses; (5) to formulate proposals for increasing or reducing the company's registered capital and for issuing corporate bonds; (6) to formulate proposals for the company's merger, demerger, dissolution or change of corporate form; (7) to determine the establishment of the company's internal management bodies; (8) to determine the appointment or dismissal of the company's manager and matters related to his/her remuneration, and, based on the nomination by the manager, to determine the appointment or dismissal of the company's deputy manager, person in charge of finance and matters related to his/her remuneration; (9) to formulate the company's basic management systems; and (10) other functions and powers prescribed by the articles of association or conferred by the shareholders' meeting. Restrictions on the functions and powers of the board of directors imposed by the articles of association shall not be used against a bona fide counterparty.

The shareholders' meeting may pass a resolution to remove a director; such removal shall take effect from the date on which the resolution is passed. Where a director is removed before the expiry of his/her term without just cause, that director may claim compensation from the company.

Meetings of the Board of Directors

Pursuant to the Company Law, the meetings of the board of directors shall be convened at least twice a year, and the notice of each meeting shall be given to all directors and supervisors ten days prior to the meeting. Shareholders representing ten per cent or more of the voting rights, one-third or more of the directors, or the board of supervisors may propose the convening of an extraordinary meeting of the board of directors. The chairman shall convene and preside over the meeting of the board of directors within ten days from the receipt of such proposal. For the convening of an extraordinary meeting of the board of directors, alternative methods and time limits for giving notice may be determined. A meeting of the board of directors shall only be held if a majority of the directors are present. The adoption of resolutions of the board of directors shall be passed by a majority of all directors. Voting on the resolutions of the board of directors shall be on a one-person-one-vote basis. Directors shall attend the meetings of the board of directors in person; if a director is unable to attend for any reason, he/she may appoint another director to attend on his/her behalf in writing, and the power of attorney shall specify the scope of the authorisation. The board of directors shall prepare minutes of the decisions on the matters considered, and the directors present at the meeting shall endorse the minutes by signature.

Where a resolution of the board of directors contravenes the laws, administrative regulations, the articles of association or resolutions of the shareholders' meeting, thereby causing serious loss to the company, the directors who participated in the resolution shall be liable for compensation to the company. However, a director may be exempted from the liability if it is proven that he/she objected to the resolution at the time of voting and such objection was recorded in the minutes.

Pursuant to the Company Law, the board of directors shall have one chairman and may have a vice chairman. The chairman and vice chairman shall be elected by a majority of all directors. The chairman shall convene and preside over meetings of the board of directors and shall oversee the implementation of resolutions of the board of directors. The vice chairman shall assist the chairman in his/her duties; where the chairman is unable to perform his/her duties or fails to do so, the vice chairman shall perform such duties; where the vice chairman is unable to perform his/her duties or fails to do so, a director shall be jointly nominated by a majority of the directors to perform such duties.

Qualifications of Directors

A person shall not serve as a director of the company if any of the following circumstances apply: (1) the person lacks capacity or has limited capacity for civil liabilities; (2) the person has been sentenced to criminal punishment for corruption, bribery, embezzlement, misappropriation of property, or destruction of the socialist market economy order, or has been deprived of political rights due to a criminal offence, and less than five years have elapsed since the completion of the sentence; or, if a suspended sentence has been imposed, less than two years have elapsed since the expiry of the probationary period;(3) the person who is a former director, factory manager or manager of a company or an enterprise that has entered into bankruptcy and liquidation and who is personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (4) the person who served as the legal representative of a company or enterprise whose business licence was revoked or which was ordered to close due to illegal activities, and the person who bears personal responsibility, where less than three years have elapsed since the date on which the business licence of that company or enterprise was revoked or it was ordered to close; (5) the person who has been individually listed by a People's Court as a discredited person subject to enforcement proceedings due to failure to settle a substantial debt upon its maturity.

Where a company elects or appoints a director in breach of the preceding provisions, such election or appointment shall be invalid. Should any of the above circumstances arise during a director's term of office, the company shall remove the director from office.

Board of Supervisors

Pursuant to the Company Law, a joint stock limited company shall establish the board of supervisors; however, a joint stock limited company of a smaller scale or with a limited number of shareholders may choose not to establish the board of supervisors, but to appoint a single supervisor instead to exercise the functions and powers of the board of supervisors as prescribed by the Company Law. A joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprised of directors to exercise the functions and powers of the board of supervisors as prescribed by the Company Law, and may therefore choose not to establish any board of supervisors or appoint any supervisor.

Audit Committee

Pursuant to the Company Law, the audit committee shall consist of three or more members. A majority of the members shall not hold any position in the company other than that as a director, nor shall they have any relationship with the company that might affect their independent and objective judgement. Employee representatives in the company's board of directors may serve as members of the audit committee.

The adoption of resolutions of the audit committee shall be passed by a majority of its members. Voting on resolutions of the audit committee shall be on a one-member-one-vote basis. The rules of procedures and voting procedures of the audit committee shall be prescribed in the articles of association.

Managers and Senior Management

Pursuant to the Company Law, the company shall appoint a manager, who shall be appointed or dismissed by the board of directors. The manager shall be accountable to the board of directors and shall exercise his/her functions and powers in accordance with the provisions of the articles of association or the authorisation of the board of directors. The manager shall attend meetings of the board of directors. The board of directors of the company may decide that a member of the board of directors shall concurrently serve as a manager.

Pursuant to the Company Law, senior management refers to the manager(s), deputy manager(s), person in charge of finance, the secretary to the board of directors of a listed company, and such other personnel as specified in the articles of association.

Obligations of Directors, Supervisors and Senior Management

Directors, supervisors and senior management shall comply with the laws, administrative regulations and the articles of association. Directors, supervisors and senior management shall have fiduciary obligations to the company, take measures to avoid conflicts of interest between their own interests and those of the company, and shall not use their powers to seek improper benefits. Directors, supervisors and senior management shall have diligent obligations to the company and exercise the reasonable care ordinarily expected of a management personnel in the best interests of the company during the performance of their duties. The provisions of the preceding paragraph shall apply to controlling shareholders and de facto controllers who do not serve as directors of the company but actually manage the company's affairs.

Directors, supervisors and senior management shall not engage in the following acts: (1) embezzling the company's property or misappropriating the company's funds; (2) depositing the company's funds into accounts opened in their own name or in the name of any other individual; (3) using their powers to offer or accept bribes or other unlawful income; (4) accepting and retaining commissions from transactions between others and the company;(5) disclosing company secrets without authorisation; (6) any other acts in breach of the fiduciary obligations to the company.

Directors, supervisors and senior management shall attend shareholders' meetings and respond to questions from shareholders.

Where directors, supervisors or senior management violate the provisions of the laws, administrative regulations or the articles of association, thereby causing any loss to the company during the performance of their duties, they shall be liable for compensation. Where directors or senior management violate the provisions of laws, administrative regulations or the articles of association, thereby doing any harm to the interests of shareholders, the shareholders may bring an action before the People's Court. Where a controlling shareholder or de facto controller of the company instructs a director or senior management personnel to engage in acts that harm the interests of the company or its shareholders, he/she shall bear joint liabilities with such director or senior management personnel.

Finance and Accounting

Pursuant to the Company Law, the company shall establish its own financial and accounting systems in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council. The company shall prepare financial and accounting reports at the end of each accounting year and have them audited by an accounting firm in accordance with the laws. Financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council. The company shall make its financial and accounting reports available at the company's premises for inspection by shareholders twenty-one days prior to the annual shareholders' meeting. A joint stock limited company that has issued shares to the public shall publish its financial and accounting reports.

When distributing its post-tax profits for the current year, the company shall set aside 10% of the profits as its statutory reserves. Where the accumulated amount of its statutory reserves reaches 50% or more of its registered capital, the company shall set aside no further statutory reserve. Where the company's statutory reserves are insufficient to offset losses for the previous year, the profits for the current year shall first be used to offset such losses before statutory reserves are set aside in accordance with the preceding paragraph. After setting aside the statutory reserves from the post-tax profits, the company may, upon the resolution of the shareholders' meeting, also set aside a discretionary reserve from the post-tax profits. The remaining post-tax profits after offsetting losses and setting aside reserves shall be distributed as follows: in a company with limited liability, profits shall be distributed in proportion to the shareholders' paid-up capital contributions, unless all shareholders agree otherwise; in a joint stock limited company, profits shall be distributed in proportion to the shareholding of the shareholders, unless otherwise provided in the articles of association. Profits shall not be distributed in respect of shares held by the company itself.

Where a company distributes profits to shareholders in breach of the provisions of the Company Law, the shareholders shall return the profits distributed in breach of the regulations to the company; where such breach causes any loss to the company, the shareholders and the directors, supervisors and senior management personnel who are responsible shall be liable for compensation.

The premium received from issuing shares at a price higher than their par value, proceeds from the issue of no-par-value shares not included in the registered capital, and other income to be included in the capital reserve as specified by the financial department of the State Council shall be classified as the company's capital reserve.

A company's reserves shall be used to offset the company's losses, expand its production and operation, or be converted to increase the company's capital. When using reserves to offset losses, discretionary reserves and statutory reserves shall be utilised first; if the losses still cannot be fully offset, capital reserves may be used in accordance with the regulations. When statutory reserves are converted into capital, the remaining amount of such reserves shall not be less than 25 per cent of the company's registered capital prior to the conversion.

Apart from the statutory accounting books, a company shall not maintain any other accounting books. No accounts may be opened in the name of any individual for the deposit of the company's funds.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment and dismissal of an accounting firm undertaking the auditing engagement of the company shall be determined by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the articles of association. When the shareholders' meeting, the board of directors or the board of supervisors votes on the dismissal of an accounting firm, the firm shall be permitted to present its views.

The company shall provide the appointed accounting firm with true and complete accounting evidence, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or misrepresent such information.

Distribution of Profits

Pursuant to the Company Law, a company shall not distribute profits before offsetting losses and setting aside statutory reserves.

Amendment of the Articles of Association

Pursuant to the Company Law, a resolution adopted by the shareholders' meeting to amend the articles of association shall be passed by not less than two-thirds of the voting rights held by the shareholders present at the meeting.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for the following reasons: (1) the expiry of the business term as specified in the articles of association or the occurrence of other grounds for dissolution as specified therein; (2) a resolution of the shareholders' meeting to dissolve the company; (3) dissolution necessitated by a merger or demerger of the company; (4) suspension of the business licence, or being ordered to close down or to be revoked in accordance with the laws;(5) dissolution ordered by the People's Court in accordance with the relevant provisions of the Company Law. Where a company is dissolved pursuant to the preceding paragraph, it shall, within ten days from the occurrence of the grounds for dissolution, publish the reasons for its dissolution through the National Enterprise Credit Information Publicity System.

Where a company falls under the circumstance set out in (1) of the preceding paragraph and has not yet distributed its property to the shareholders, it may continue to exist by amending the articles of association or by adopting the resolution of the shareholders' meeting. In amending the articles of association or adopting a resolution of the shareholders' meeting in accordance with the preceding paragraph, a company with limited liability shall be subject to the approval of shareholders holding more than two-thirds of the voting rights, while a joint stock limited company shall be subject to the approval of shareholders holding more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Where a company faces serious difficulties in its operation and management, and its continued existence would result in significant loss to the interests of the shareholders, and such difficulties cannot be resolved by other means, shareholders holding more than 10% of the voting rights may apply to the People's Court for the dissolution of the company.

Where a company is dissolved pursuant to (1), (2), (4) and (5) of the preceding article, it shall undergo liquidation. The directors shall be the persons responsible for the company's liquidation and shall, within fifteen days from the occurrence of the grounds for dissolution, form a liquidation committee to conduct the liquidation. The liquidation committee shall consist of the directors, unless otherwise provided in the articles of association or a resolution of the shareholders' meeting to appoint other persons. Where the persons responsible for liquidation fail to fulfil their liquidation obligations in a timely manner, thereby causing any loss to the company or its creditors, they shall be liable for compensation. Where a liquidation committee is not formed within the prescribed time limit to carry out liquidation, or where a liquidation committee has been formed but liquidation is deliberately delayed, interested parties may apply to the People's Court to appoint relevant personnel to form a liquidation committee to carry out liquidation. The People's Court shall accept such an application and promptly organise a liquidation committee to carry out liquidation.

The remaining property of the company, after the payment of liquidation expenses, employees' wages, social insurance contributions and statutory compensation, as well as the settlement of outstanding taxes and debts of the company, shall be distributed in proportion to the shareholders' capital contributions in the case of a company with limited liability, and in proportion to the shareholding of the shareholders in the case of a joint stock limited company.

During liquidation, the company shall continue to exist but shall not engage in business activities not related to the liquidation. The company's property shall not be distributed to shareholders until its debt has been settled in accordance with the aforesaid provisions.

If it is found that the company's property are insufficient to settle its debts after the liquidation committee has liquidated the company's property and prepared the balance sheet and inventory of property, the committee shall apply to the People's Court for a declaration of bankruptcy in accordance with the laws.

Merger and Demerger

Under the Company Law, a company may merge through a merger by absorption or a merger by establishment of a new entity. A merger by absorption refers to one company absorbing another, whereby the absorbed company is dissolved. A merger by establishment of a new entity refers to two or more companies merged to establish a new company, with the merged parties being dissolved.

Overseas Listing

Pursuant to the Trial Measures for the Administration of Overseas Issuance of Securities and Listing by Domestic Enterprises (《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 and being effective from March 31, 2023, domestic enterprises in the PRC seeking to list overseas shall submit an application to the CSRC in accordance with these Measures. Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Measures.

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**Securities Law**") came into force on July 1, 1999 and was amended on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, and the latest amendment to the Securities Law came into force on March 1, 2020. This is the first nationwide securities law in the PRC, comprising 14 chapters and 226 articles for regulation of the issuance and trading of securities, the acquisition of listed companies, the duties of stock exchanges, securities firms, and securities regulatory authority under the State Council. The Securities Law comprehensively regulates activities in the securities market in the PRC. Article 224 of the Securities Law stipulates that domestic enterprises issuing securities directly or indirectly overseas, or listing their securities for trading overseas, shall comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares overseas are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

Pursuant to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law"**), as last amended by the Standing Committee of the NPC on September 12, 2025 and implemented on March 1, 2026, the Arbitration Law applies to economic disputes involving foreign parties where the parties have entered into a written agreement to submit the matter to an arbitration institution constituted in accordance with the Arbitration Law. Where the parties have entered into an arbitration agreement and one party files a lawsuit before the People's Court, the People's Court shall not accept the case, except where the arbitration agreement is invalid as otherwise provided by law. Under the Arbitration Law, an arbitral award is final and binding on the parties. Should one party fail to comply with the award, the other party may apply to the People's Court for the enforcement of the arbitral award in accordance with the Civil Procedure Law of the PRC. Should the arbitral proceedings have been conducted in violation of the laws (including irregularity in the composition of the arbitration institution or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration institution), the People's Court may rule that the arbitral award issued by the arbitration institution shall not be enforced. Where a legally binding arbitral award has been made within the territory of the People's Republic of China and a party requests enforcement, if the respondent or their property are not located within the territory of the People's Republic of China, the party may apply directly to a competent foreign court for recognition and enforcement. Similarly, the People's Court may recognise and enforce arbitral awards made by foreign arbitral institutions in accordance with the principle of reciprocity or any international treaty to which China is a signatory or party. Pursuant to the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), promulgated by the Supreme People's Court on January 24, 2000 and implemented on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行

仲裁裁決的補充安排》), promulgated by the Supreme People's Court on November 26, 2020 and implemented on November 27, 2020 and May 19, 2021, awards made by arbitral authorities in Mainland China may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in Mainland China.

Judicial Judgments and Their Enforcement

Pursuant to the Supreme People's Court's 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 Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and implemented from August 1, 2008 (repealed on January 29, 2024), for an enforceable final judgment made by a court in Mainland China or Hong Kong court concerning a civil or commercial case under a written agreement on jurisdiction, in which payment must be made, the party concerned may, under the Arrangement, apply to a court in Mainland China or a Hong Kong court for recognition and enforcement. The term "written agreement on jurisdiction" refers to agreements clearly stipulated in written form by parties concerned that a court in Mainland China or Hong Kong court has sole jurisdiction as to the effectiveness of the Arrangement, so as to settle disputes relevant to a certain legal relationship that has either arisen or might arise. Therefore, the party concerned may apply to the court in Mainland China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in Mainland China or Hong Kong that meet certain conditions of the aforementioned regulations. On January 25, 2024, the Supreme People's Court promulgated the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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》) (the "**New Arrangement**"), which came into effect on January 29, 2024, and sought to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgements in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the PRC.

This appendix contains a summary of the provisions of the Articles of Association of DDPai Technology Co., Ltd. (the "**Articles of Association**"), as approved and last amended by the 2026 Fourth Extraordinary General Meeting of the Company held on June 22, 2026. The primary purpose of this appendix is to provide potential **[REDACTED]** with an overview of the Articles of Association. Accordingly, it may not contain all information that is material to potential **[REDACTED]**.

Shares and Registered Capital

Shares issued by the Company are denominated in Renminbi, with a par value of RMB **[REDACTED]** per share. The Company issues Shares in accordance with the principles of openness, fairness and impartiality, and each share of the same class shall carry equal rights.

For shares of the same class issued at the same time, the issuance conditions and price for each share shall be the same; the same price shall be paid for each of the shares subscribed by any entities or individuals.

Increase, Decrease and Repurchase of Shares

Increase in Capital

Pursuant to its operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations subject to respective resolution of the Shareholders' meeting, by the following methods:

(i) Issuance of Shares to unspecified parties;

(ii) Issuance of Shares to specific parties;

(iii) Issuing bonus Shares to existing Shareholders;

(iv) Converting capital reserves into share capital; and

(v) Other methods prescribed by laws, administrative regulations, the CSRC and the Hong Kong Stock Exchange.

Reduction of Capital

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures set out in the Company Law and other relevant regulations as well as the Articles of Association. The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor shall, within 30 days from the date of receipt of the notice from the Company or, in the case where a creditor does not receive such notice, within 45 days from the date of announcement, be entitled to require the Company to repay its debts or to provide a corresponding guarantee for the repayment of such debt. When the Company reduces its registered capital, it shall reduce the capital contribution or shares in proportion to the capital contribution or shareholding of each Shareholder, unless otherwise provided by the laws or the Articles of Association.

Repurchase of Shares

The Company shall not purchase its Shares other than for one of the following purposes:

(i) to reduce its registered capital;

(ii) to merge with another company that holds its Shares;

(iii) to grant its Shares for carrying out an employee stock ownership plan or equity incentives;

(iv) to purchase its Shares from Shareholders who are against the resolution regarding the merger or division with other companies at a Shareholders' meeting;

(v) to use the Shares for conversion of convertible corporate bonds issued by the Company;

(vi) the repurchase of Shares is necessary for the Company to maintain its company value and protect its Shareholders' interests; or

(vii) other circumstances as stipulated and permitted by the laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's stocks are listed.

The purchase of its Shares by the Company on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the Shareholders' meeting. For any repurchase of its Shares by the Company under any of the circumstances stipulated in (iii), (v) and (vi) above, a Board resolution shall be made by two-thirds of the Directors attending the meeting according to the provisions of the Articles of Association or as authorized by the Shareholders' meeting.

Following the purchase of its Shares by the Company under the circumstances stipulated in (i), such Shares shall be cancelled within 10 days from the date of purchase. The Shares shall be transferred or cancelled within six months if the purchase of Shares is made under the circumstances stipulated in (ii) and (iv). The Shares of the Company held in total by the Company after the repurchase of Shares under the circumstances stipulated in (iii), (v) and (vi) shall not exceed 10% of the total number of issued Shares of the Company, and shall be transferred or cancelled within three years.

Transfer of Shares

No transfer of the Shares of the Company issued before its public offering of Shares shall be made within 1 year from the date on which the Shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall declare the number of Shares held by them and the relevant changes to the Company. The number of Shares transferred each year during their term of office shall not exceed 25% of the total number of the same class of Shares of the Company held by them. No Share of the Company held by them shall be transferred within 1 year from the date on which the Shares of the Company are listed and traded. No Share of the Company held by them shall be transferred within six months after their resignation.

Register of Shareholders

The register of Shareholders constitutes conclusive evidence of the Shareholders' holding of Shares in the Company. Shareholders shall be entitled to rights and bear obligations in accordance with the class of Shares they hold; Shareholders holding Shares of the same class shall be entitled to equal rights and bear the same obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall be entitled to the following rights:

(i) to receive dividends and other forms of profit distribution in proportion to their shareholding;

(ii) to request, convene, chair, attend or appoint a proxy to attend Shareholders' meetings in accordance with the laws, and to exercise the corresponding rights to speak and vote;

(iii) to supervise the Company's operations, and to make suggestions or raise queries;

(iv) to transfer, gift or pledge the Shares held by them in accordance with the provisions of the laws, administrative regulations and the Articles of Association;

(v) to inspect and reproduce the Articles of Association, register of Shareholders, minutes of Shareholders' meetings, resolutions of the Board meetings as well as financial and accounting reports of the Company; Shareholders who meet the relevant criteria may inspect the accounting books and accounting evidence of the Company;

(vi) to participate in the distribution of the Company's residual assets in proportion to the Shares held upon the discontinuing or liquidation of the Company;

(vii) Shareholders who object to a resolution of the Shareholders' meeting regarding a merger or division of the Company may require the Company to purchase their Shares;

(viii) other rights as prescribed by the laws, administrative regulations, departmental rules and the Articles of Association.

Shareholders of the Company shall bear the following obligations:

(i) to comply with the laws, administrative regulations and the Articles of Association;

(ii) to pay the capital contribution in accordance with the Shares subscribed for and the method of subscription;

(iii) not to withdraw Shares unless as required by the laws and regulations and as stipulated in the Articles of Association;

(iv) not to abuse its rights to prejudice the interests of the Company or other Shareholders and not to abuse the status of the Company as an independent legal person and the limited liabilities of the Shareholder to prejudice the interests of the creditors of the Company;

(v) other obligations imposed by the laws, administrative regulations and the Articles of Association.

Where a Shareholder of the Company abuses his/her rights and causes losses to the Company or other Shareholders, he/she shall assume the liability of compensation in compliance with the laws.

Where a Shareholder of the Company abuses the status of the Company as an independent legal person and the limited liabilities of the Shareholder to avoid his/her debts and severely impairs the interests of the creditors of the Company, he/she shall assume vicarious liabilities for the debts of the Company.

Restrictions on the Rights of Controlling Shareholders

The controlling Shareholders and de facto controllers of the Company shall exercise Shareholders' rights in accordance with the laws, and shall not abuse control or use related relationships to harm the legitimate rights and interests of the Company or other Shareholders.

Shareholders' Meeting

General Rules of the Shareholders' Meeting

The Shareholders' meeting is the governing body of the Company and shall exercise the following functions and powers in accordance with the laws:

(i) to elect and replace Directors who are not employee representatives, and to determine matters related to Directors' remuneration;

(ii) to consider and approve the reports of the Board;

(iii) to consider and approve the Company's profit distribution proposals and the proposals for making up losses;

(iv) to make resolutions on the increase or reduction of the registered capital of the Company;

(v) to make resolutions on the issue of corporate bonds;

(vi) to make resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to make resolutions on the appointment or dismissal of the accounting firm responsible for the auditing of the Company;

(ix) to consider and approve transactions and guarantees which, under the Articles of Association and the Rules of Procedure for Shareholders' Meetings, shall be resolved by the Shareholders' meetings;

(x) to consider matters related to the purchase or disposal of material assets by the Company within one year, where the value of such assets exceeds 30% of the total audited assets of the Company for the most recent period;

(xi) to consider and approve matters related to changes in the use of raised funds;

(xii) to consider equity incentive schemes and employee share ownership schemes;

(xiii) to consider transactions where any applicable percentage ratio under Rule 14.07 of the Hong Kong Listing Rules reaches 25% or more and connected transactions where any applicable percentage ratio reaches 5% or more (including one-off transactions and a series of transactions requiring an aggregated percentage ratio but excluding any transactions exempt from approval from Shareholders' meetings under the Hong Kong Listing Rules or approved by the Hong Kong Stock Exchange), or connected transactions where one of the applicable percentage ratios reaches five per cent (5%) or more (including one-off transactions and a series of transactions requiring an aggregated percentage ratio, but excluding any connected transactions exempt from disclosure or announcement under the Hong Kong Listing Rules or approved by the Hong Kong Stock Exchange); and

(xiv) to consider other matters which, pursuant to the laws, administrative regulations, departmental rules and the Articles of Association, shall be decided by the Shareholders' meetings.

The aforementioned functions and powers of the Shareholders' meetings shall not be conferred to the Board or any other institution or individual.

Shareholders' meetings are classified as annual Shareholders' meetings and extraordinary Shareholders' meetings. An annual Shareholders' meeting shall be convened once a year and be held within six months after the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an extraordinary Shareholders' meeting within two months:

(i) Where the number of Directors falls below two-thirds of the number prescribed by the Company Law or the Articles of Association;

(ii) The uncovered losses of the Company amount to one-third of its total paid-up share capital;

(iii) Shareholders who individually or jointly hold more than 10% of the Company's voting shares require in writing an extraordinary Shareholders' meeting to be convened (the number of the shares held is calculated based on the date that shareholders made such written request);

(iv) Where the Board deems it necessary;

(v) Where the audit committee proposes to convene such a meeting;

(vi) Other circumstances prescribed by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' Meetings

With the consent of a majority of all independent Directors, the Board and independent Directors shall have the right to propose the convening of extraordinary Shareholders' meetings. Where Shareholders holding, individually or collectively, 10% or more of the Company's Shares request the convening of an extraordinary Shareholders' meeting, the Board and the audit committee shall, within ten days from the receipt of such a request, decide whether to convene the extraordinary Shareholders' meeting and provide a written response to the Shareholders.

In addition, the audit committee or Shareholders holding, individually or collectively, 10% or more of the Company's Shares shall have the right to propose to the Board the convening of extraordinary Shareholders' meetings. The Board shall, in accordance with the requirements of the laws, administrative regulations and the Articles of Association, provide written feedback on the acceptance or refusal to convene the extraordinary Shareholders' meeting within ten days from the receipt of such a proposal.

If the Board agrees to convene the extraordinary Shareholders' meeting, a notice convening the meeting shall be issued within five days upon the passing of the Board resolution, any change to the original request in the notice shall be subject to the approval from the relevant shareholders.

If the Board does not agree to convene the extraordinary Shareholders' meeting or does not provide feedback within ten days upon the receipt of such a request, Shareholders holding, individually or collectively, 10% or more of the Company's Shares may propose to the audit committee to convene an extraordinary Shareholders' meeting and shall make such a request in writing to the audit committee.

If the audit committee agrees to convene the extraordinary Shareholders' meeting, it shall issue a notice thereof within five days from the receipt of such request, and any amendment made in the notice to the original request shall be subject to the consent of the relevant Shareholders.

If the audit committee fails to issue a notice of the Shareholders' meeting within a specified period, it shall be deemed that the audit committee shall not convene and preside over the Shareholders' meeting, and the Shareholders holding, individually or collectively, 10% or more of the Company's Shares for more than ninety consecutive days may convene and preside over the meeting by himself/herself/themselves.

Proposals for Shareholders' Meetings

Where the Company convenes a Shareholders' meeting, the Board, the audit committee, and Shareholders holding, individually or collectively, 10% or more of the Company's Shares shall have the right to submit proposals to the Company.

Shareholders holding, individually or collectively, 10% or more of the Company's Shares may submit interim proposals in writing to the convener ten days before the Shareholders' meeting is held. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after the receipt of such proposal, and announce the content of the interim proposal.

Except for the circumstances provided in the preceding paragraph, the convener shall not, after issuing the notice of the Shareholders' meeting, amend any proposal already listed in the notice or add new proposals. The Shareholders' meeting shall not vote on or adopt resolutions regarding any proposal not listed in the notice of the Shareholders' meeting or that does not comply with the provisions of the Articles of Association.

Noice of Shareholders' Meetings

The convener shall notify all Shareholders of the annual Shareholders' meeting in writing (including the announcement) at least 21 days prior to the meeting. Notice of an extraordinary Shareholders' meeting shall be given to all shareholders in writing (including the announcement) at least 15 days prior to the meeting. In calculating the commencing date of the notice period, the date on which the meeting is held shall be excluded, but the date on which the notice is given shall be included.

Notice of a Shareholders' meeting shall include the following information:

(i) The time, place and duration of the meeting;

(ii) Matters and proposals to be submitted to the meeting for consideration;

(iii) Descriptions in prominent texts: All Shareholders have the right to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in voting, and such proxy need not be a Shareholder of the Company;

(iv) The equity record date for Shareholders entitled to attend the Shareholders' meeting;

(v) The name and telephone number of the standing contact person for the meetings;

(vi) The time and procedures for voting via the internet or other means (if any); and

(vii) Other requirements stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed, and the Articles of Association.

Convening of Shareholders' Meetings

All Shareholders registered in the register of members, or their proxies, shall be entitled to attend the Shareholders' meetings and to exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association. Shareholders may attend the Shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

Resolutions at Shareholders' Meetings

The resolutions of the Shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution shall be passed at the Shareholders' meeting by a majority of the voting rights held by the Shareholders (including the Shareholders' proxy(ies)) attending the Shareholders' meeting. A special resolution shall be passed at the Shareholders' meeting by two-thirds or more of the voting rights held by the Shareholders (including the Shareholders' proxy(ies)) attending the Shareholders' meeting.

The following matters shall be approved by ordinary resolutions at the Shareholders' meetings:

(i) Working reports of the Board;

(ii) Proposals for profit distribution and making up losses proposed by the Board;

(iii) Appointment or dismissal of the members of the Board, and their remuneration and payment methods;

(iv) Annual reports of the Company;

(v) Engagement and dismissal of the accounting firm of the Company and the determination of its remuneration;

(vi) Connected transactions between the Company and connected persons which, under the Hong Kong Listing Rules, require the approval at the Shareholders' meetings;

(vii) Changes in the use of funds raised for investment projects; and

(viii) Other matters other than those stipulated by the laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association which shall be passed by special resolutions.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

(i) Increase or decrease in the registered capital of the Company;

(ii) Merger, spin-off, division, dissolution and liquidation (including voluntary liquidation) of the Company, or a change in the form of the Company;

(iii) Amendments to the Articles of Association;

(iv) Purchase or disposal of major assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's total assets in the latest audited consolidated financial statements;

(v) Issuance of Shares, convertible corporate bonds, preference shares and other classes of securities approved by the CSRC and the Hong Kong Stock Exchange;

(vi) Listing of a subsidiary through a spin-off;

(vii) Equity incentive schemes;

(viii) Other matters stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed, or the Articles of Association, as well as other matters determined at the Shareholders' meeting by ordinary resolution which shall have a significant impact on any member of the Group and shall be passed by special resolutions.

Directors and the Board

Directors

Directors who are not employee representatives shall be elected or replaced by the Shareholders' meeting, and his/her position may be terminated by the Shareholders' meeting before the expiration of his/her term of office. The term of office of Directors shall be three years. Upon expiry of the term, Directors may be re-elected for consecutive terms.

The term of office of a Director shall commence from the date on which the said Director assumes office to the expiry of the current session of the Board. If the term of office of a Director expires but re-election is not made promptly, the said Director shall continue fulfilling the duties as a Director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Director takes office.

Board

The Company shall set up the Board, which shall be accountable to the Shareholders' meeting. The Board shall consist of seven Directors, three of whom shall be independent Directors. The Board shall have one chairman, who shall be elected by a majority vote of all Directors.

The Board shall exercise the following functions and powers:

(i) To convene Shareholders' meetings and report the work status to the Shareholders' meetings;

(ii) To implement resolution(s) of the Shareholders' meetings;

(iii) To determine the business plans and investment proposals of the Company;

(iv) To formulate the profit distribution proposals and proposals for making up losses of the Company;

(v) To formulate proposals for increase or decrease in the registered capital of the Company, the issuance of bonds or other securities, as well as the listing proposal of the Company;

(vi) To draft proposals for material acquisitions, purchase of Shares of the Company, or merger, division, dissolution and change of corporate form of the Company;

(vii) Within the scope of authorization granted by the Shareholders' meeting, to determine matters such as the Company's external investments, acquisition and disposal of assets, asset pledges, external guarantees, entrusted wealth management, related transactions and external donations;

(viii) To determine the establishment of internal management bodies of the Company;

(ix) To determine the appointment or dismissal of the general manager of the Company and the secretary to the Board, other senior management and the secretary to the Company, and based on the nomination of the general manager, to determine the appointment or dismissal of senior management such as deputy general managers and the chief financial officer, and to determine their remuneration, rewards and punishments;

(x) To formulate the basic management system of the Company;

(xi) To formulate proposals for amendments to the Articles of Association;

(xii) To manage information disclosure matters of the Company;

(xiii) To propose to the Shareholders' meeting the appointment or replacement of the accounting firm that performs auditing for the Company;

(xiv) To listen to the working report of the general manager of the Company and inspect the work of the general manager; and

(xv) Other functions and powers conferred by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Shares of the Company are listed, or the Articles of Association.

Board meetings comprise regular meetings and extraordinary meetings. At least a regular meeting shall be held every quarter. Board meetings shall be convened by the chairman and written notices of the meetings shall be given to all Directors ten days before the date of the meetings. Extraordinary Board meetings may be proposed to be convened by Shareholders representing more than 10% of the voting rights, more than one-third of the Directors or the audit committee. The chairman shall convene and preside over the Board meeting within 10 days after the receipt of such proposal.

A Board meeting shall only be held if a majority of the Directors are present. Board resolutions shall be passed by a majority of all Directors.

Connected Transactions

The Board may pass resolutions on any connected transactions between the Company and related parties where the total amount of a single transaction or the transactions in aggregate does not exceed RMB30,000,000.

General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The general manager shall be accountable to the Board and shall exercise the following functions and powers:

(i) to be in charge of the production and operational management of the Company, organize the implementation of Board resolutions and report to the Board on the status of work;

(ii) to organize the implementation of the annual operation plans and investment proposals of the Company;

(iii) to draft the establishment proposal of the internal management body of the Company;

(iv) to draft the basic management system of the Company;

(v) to formulate the specific statutes of the Company;

(vi) to propose to the Board the appointment or dismissal of the deputy general manager, chief financial officer and other senior management personnel of the Company;

(vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;

(viii) other functions and powers authorized by the Articles of Association or the Board. The general manager shall be present at the Board meetings.

Special Committees under the Board

The Board of the Company shall establish the audit committee to exercise the functions and powers of the board of supervisors as prescribed by the Company Law.

In addition to the audit committee, the Board of the Company shall establish other special committees, including, among others, the nomination committee and the remuneration committee. The Board shall be responsible for formulating the working protocols of the special committees.

Secretary to the Board

The Company shall appoint a secretary to the Board, who shall be responsible for the preparation of Shareholders' meetings and Board meetings of the Company, the safekeeping of documents, management of information of the Shareholders of the Company, and the handling of information disclosure matters.

Financial and Accounting Systems

The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and the requirements of relevant government authorities. The Company shall not maintain any accounting books other than the statutory accounting books. The funds of the Company shall not be deposited in accounts opened under the name of any individual.

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of the statutory reserve funds of the Company is more than 50% of its registered capital, further appropriations are not required. Where the statutory reserve funds of the Company are insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before making withdrawals from its statutory reserve funds in accordance with the preceding paragraph. After withdrawing the statutory reserve funds from the after-tax profit, the Company may, subject to a resolution of the Shareholders' meeting, withdraw the discretionary reserve funds from the after-tax profit.

After making up the losses and making withdrawals from the reserve funds, any remaining after-tax profit shall be distributed by the Company to the Shareholders in proportion to their respective shareholdings, unless the Articles of Association provide otherwise.

Where the Shareholders' meeting, in violation of the Company Law, distributes the profits to the Shareholders, the Shareholders shall return the profits distributed in violation of the provisions to the Company. In case of losses caused to the Company, the Shareholders and the responsible Directors, and senior management personnel shall be liable for compensation.

Shares of the Company held by itself shall not participate in the distribution of profits.

Dissolution and Liquidation of the Company

The Company shall be dissolved upon the occurrence of any of the following circumstances:

(i) The term of business provided in the Articles of Association expires or any other grounds for dissolution as stipulated in the Articles of Association occur;

(ii) A resolution on dissolution is passed by the Shareholders' meeting;

(iii) Dissolution is required due to the merger or division of the Company;

(iv) The business license is suspended or the Company is ordered to close down or its registration revoked in accordance with the laws;

(v) Where the Company faces serious difficulties in its operations and management, and its continued existence would result in significant loss to the interests of the Shareholders, and such difficulties cannot be resolved by other means, Shareholders holding more than 10% of the voting rights may apply to the People's Court for the dissolution of the Company;

Where the Company is dissolved pursuant to items (i), (ii), (iv) and (v) above, a liquidation committee shall be established within fifteen days from the occurrence of the grounds for dissolution to carry out the liquidation. The liquidation committee shall be composed of Directors or personnel determined by the Shareholders' meeting. If a liquidation committee is not established within the prescribed period to carry out the liquidation, creditors may apply to the People's Court to designate relevant personnel to establish a liquidation committee to carry out the liquidation.

The liquidation committee shall notify the creditors within ten days following the date of its establishment and make a public announcement in the newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the receipt of such notice or, in case where he/she fails to receive such notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee. Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall register the creditors' claims, and shall not settle any debts to any creditors during the period of claim declaration.

After checking the assets of the Company and preparing a balance sheet and a property list, the liquidation committee shall formulate a liquidation proposal for confirmation by the Shareholders' meeting or the People's Court. The remaining property of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staff, taxes and debts of the Company, shall be distributed to the Shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but cannot carry out any business activities not related to liquidation. The property of the Company shall not be distributed to the Shareholders until the settlement of debts in accordance with the preceding paragraph.

If the liquidation committee, after checking the property of the Company and preparing a balance sheet and a property list, discovers that the property of the Company is insufficient to pay off its debts, it shall file an application to the People's Court for a declaration of bankruptcy in accordance with the laws. Once the Company has been declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer the liquidation affairs to the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the Shareholders' meeting or the People's Court for confirmation and submit the report to the company registration authority to apply for the deregistration of the Company and to announce the dissolution of the Company.

Amendments to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(i) After amendments are made to the Company Law or other relevant laws, administrative regulations, any matter contained in the Articles of Association become inconsistent with the said amendments;

(ii) If certain changes of the Company occur and result in inconsistency with matters specified in the Articles of Association;

(iii) The Shareholders' meeting has resolved to amend the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established in the PRC on April 1, 2013 as a limited liability company and was converted to a joint stock company with limited liability under the laws of the PRC on June 3, 2016.

As of the date of this document, our Company's registered office is located at Room 2801, Block A, Building 8, Shenzhen International Innovation Valley, Dashi First Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen, the PRC. Our Company has established a principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 18, 2026. Ms. Fung Sin Ting Karin (馮羨婷), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong, whose correspondence address is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Appendix IV – Summary of Principal Legal and Regulatory Provisions". A summary of the relevant provisions of our Articles of Association is set out in "Appendix V – Summary of Articles of Association".

2. Changes in Share Capital of Our Company

For details relating to the changes in the share capital of our Company, see the section headed "History, Development and Corporate Structure – Significant shareholding changes of our Company and our subsidiaries" in this document.

Save as disclosed above, there has been no other alteration in our share capital within the two years immediately preceding the date of this document.

3. Our Subsidiaries and Changes in Share Capital of Our Subsidiaries

The list of our subsidiaries is set out in Note 30 to the Accountants' Report, the text of which is set out in Appendix I to this document.

In addition to the details relating to the changes in the share capital of our principal subsidiaries in the section headed "History, Development and Corporate Structure – Significant shareholding changes of our Company and our subsidiaries" in this document, the following sets out the changes in the share capital of our other subsidiaries during the two years immediately preceding the date of this document.

On December 31, 2025, the registered capital of DDPAI Zhejiang decreased from RMB66.67 million to RMB10 million.

On December 31, 2025, the registered capital of Chongpeipei decreased from RMB50 million to RMB1 million.

Save as disclosed above, there has been no other alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Shareholders' Resolutions

In accordance with the Shareholders' resolutions of our Company dated June 22, 2026, among other things, the following resolutions were passed by the Shareholders:

(a) the **[REDACTED]** of the Shares with nominal value of RMB1.0 each on the basis of **[REDACTED]**, effective immediately prior to the **[REDACTED]**, and taking into account the **[REDACTED]**, the issue by our Company of H Shares of nominal value of RMB**[REDACTED]** each and such H Shares be **[REDACTED]** on the Stock Exchange;

(b) the number of H Shares to be **[REDACTED]** before the exercise of the **[REDACTED]** shall not exceed **[REDACTED]** of the enlarged share capital of our Company upon completion of the **[REDACTED]** and granting the **[REDACTED]** the **[REDACTED]** of no more than **[REDACTED]** of the above number of H Shares to **[REDACTED]**;

(c) the granting of a general mandate to our Board to allot, issue and deal additional Shares, and to make or grant offers, agreements, options or rights of exchange or conversion of such Shares, within the period up to the date of the conclusion of the next annual general meeting of our Company or the date on which our Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, provided that the number of such Shares shall not exceed 20% of the number of the Shares in issue as of the **[REDACTED]** (excluding treasury shares, if any). This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements;

(d) the granting of a general mandate to our Board to repurchase Shares, within the period up to the date of the conclusion of the next annual general meeting of our Company or the date on which our Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, provided that the number of such Shares shall not exceed 10% of the number of Shares in issue as of the **[REDACTED]** (excluding treasury shares, if any);

(e) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on **[REDACTED]**; and

(f) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this document that are or may be material:

(a) the capital increase agreement dated June 1, 2026 (the "**Capital Increase Agreement**") entered into among Shenzhen Linghang Xingchan Digital Creative Equipment Industry Private Equity Investment Fund Partnership (Limited Partnership)* （深圳市領航興產數字創意裝備產業私募股權投資基金合夥企業(有限合夥)）("**Linghang Xingchan**"), Guangdong Taiding Holding Co., Ltd.*（廣東太鼎控股有限公司）("**Taiding Holding**"), Shenzhen Zhenyou Investment Co., Ltd.*

(深圳震有投資有限公司)(“**Zhenyou Investment**”), Chengdu Tongchuang Shujin Venture Capital Partnership (Limited Partnership)* (成都同創數金創業投資合夥企業(有限合夥)) (“**Tongchuang Shujin**”), Shenzhen Qichao Small and Micro Investment Partnership (Limited Partnership)* (深圳市啟潮中小微投資合夥企業(有限合夥)) (“**Qichao Investment**”), Zhuhai Hengqin Jingrong Information Consulting Partnership (Limited Partnership)* (珠海橫琴旌榮信息諮詢合夥企業(有限合夥)) (“**Jingrong Information**”, together with Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin and Qichao Investment, the “**Investors**”), our Company, Mr. Luo, Weiyou Gongying, Weiyou Gonghui, Mr. Yu Yunhui (喻運輝), Mr. Wang Kai (王凱), Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng, pursuant to which Linghang Xingchan subscribed for RMB343,500 of the registered capital of our Company at a consideration of RMB20,000,000, Taiding Holding subscribed for RMB171,750 of the registered capital of our Company at a consideration of RMB9,828,250, Zhenyou Investment subscribed for RMB171,750 of the registered capital of our Company at a consideration of RMB9,828,250, Tongchuang Shujin subscribed for RMB85,875 of the registered capital of our Company at a consideration of 4,914,125, Qichao Investment subscribed for RMB82,440 of the registered capital of our Company at a consideration of RMB4,717,560 and Jingrong Information subscribed for RMB3,435 of the registered capital of our Company at a consideration of RMB196,565;

(b) the supplemental agreement to the Capital Increase Agreement dated June 1, 2026 entered into among Linghang Xingchan, Taiding Holding, Zhenyou Investment, Tongchuang Shujin, Qichao Investment, Jingrong Information, our Company, Mr. Luo, Weiyou Gongying, Weiyou Gonghui, Mr. Yu Yunhui, Mr. Wang Kai, Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng in relation to special rights granted to the Investors and the termination thereof; and

(c) **[REDACTED]**

2. Our Intellectual Property Rights

(a) 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	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
1.	NINE EAGLES	our Company	11660438	9	March 27, 2034	PRC
2.	[illegible]	our Company	13059419	9	December 13, 2034	PRC
3.	MOLA	our Company	16707792	9	April 13, 2027	PRC
4.	MOLA[illegible]	our Company	16707468	9	November 27, 2026	PRC
5.	NINE EAGLES	our Company	17767703	12	October 13, 2026	PRC

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
6.	九鹰	our Company	17767897	12	October 13, 2026	PRC
7.	MOLA 魔拉	our Company	17767432	9	December 20, 2026	PRC
8.	盯盯拍	our Company	19096256	9	March 20, 2027	PRC
9.	MOLA	our Company	19932064	12	September 13, 2027	PRC
10.	orbvir	our Company	21495454	9	November 27, 2027	PRC
11.	FinalCam	our Company	21775572	9	February 6, 2028	PRC
12.	盯盯拍 ddpai	our Company	22724337	9	April 27, 2028	PRC
13.	丁丁拍	our Company	23437028	9	March 20, 2028	PRC
14.	叮叮拍	our Company	23437087	9	March 20, 2028	PRC
15.	盯盯侠	our Company	23437054	9	March 27, 2028	PRC
16.	盯友	our Company	23437279	9	March 20, 2028	PRC
17.	拍拍盯	our Company	23437582	9	March 20, 2028	PRC
18.	鹰侍	our Company	25415310	9	August 6, 2028	PRC
19.	ddpai	our Company	25476575	9	April 13, 2029	PRC
20.	ddpai 盯盯拍	our Company	25476233	9	April 27, 2029	PRC
21.	略影	our Company	25484355	9	July 20, 2028	PRC
22.		our Company	25488239	27	July 20, 2028	PRC
23.	盯盯拍	our Company	25889744	9	September 13, 2028	PRC
24.	盯盯拍大玩家	our Company	25902686	9	September 6, 2028	PRC
25.	车盯盯	our Company	26188668	9	August 20, 2028	PRC
26.	拍设	our Company	26200317	9	August 27, 2028	PRC
27.	略影	our Company	27595343	41	November 20, 2028	PRC
28.	DDPAI 盯盯拍	our Company	28735999	7	May 13, 2029	PRC

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
29.		our Company	28734702	12	March 27, 2029	PRC
30.		our Company	28738163	22	December 20, 2028	PRC
31.		our Company	28729447	37	December 13, 2028	PRC
32.		our Company	28718342	42	December 13, 2028	PRC
33.		our Company	28724115	2	December 13, 2028	PRC
34.		our Company	28716272	6	March 27, 2029	PRC
35.		our Company	28727879	9	April 20, 2029	PRC
36.		our Company	28731276	11	March 27, 2029	PRC
37.		our Company	28724274	24	March 13, 2029	PRC
38.		our Company	28737264	28	March 13, 2029	PRC
39.		our Company	28721425	35	March 6, 2029	PRC
40.		our Company	28737292	38	December 20, 2028	PRC
41.		our Company	28720219	39	December 13, 2028	PRC
42.		our Company	28736971	41	March 13, 2029	PRC
43.	Nightvis	our Company	30861787	9	February 20, 2029	PRC
44.		our Company	30847443	9	February 20, 2029	PRC
45.	夜眸	our Company	30858983	9	May 6, 2029	PRC
46.	sensereality	our Company	31550674	35	March 13, 2029	PRC
47.	sensereality	our Company	31597123	42	November 6, 2030	PRC
48.	9eagles	our Company	36412668	9	June 13, 2030	PRC
49.	MOLA	our Company	36413471	9	December 20, 2029	PRC
50.		our Company	36410013	9	June 13, 2030	PRC
51.	墨拉	our Company	36401670	9	October 6, 2029	PRC

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
52.	陌狼	our Company	42518925	9	July 27, 2030	PRC
53.	猎鹫	our Company	44450190	9	November 13, 2030	PRC
54.	盯盯拍	our Company	45508909	9	December 13, 2030	PRC
55.	DDPAI 盯盯拍	our Company	45817991	9	March 6, 2031	PRC
56.	realcube	our Company	46053039	9	January 13, 2031	PRC
57.	[illegible]	our Company	46088816	9	January 13, 2031	PRC
58.	MOLA	our Company	51119712	9	October 13, 2031	PRC
59.	MOLA 模拉	our Company	51097292	9	October 13, 2031	PRC
60.	DDPAI SALINK	our Company	52402816	9	August 27, 2031	PRC
61.	DDPAI[illegible]UI	our Company	61086873	9	May 27, 2032	PRC
62.	DDPAI[illegible]OS	our Company	61082854	9	June 6, 2032	PRC
63.	DDPAI 盯盯拍	our Company	63119092	3	June 13, 2033	PRC
64.	NINE EAGLES	our Company	64534334	9	October 27, 2032	PRC
65.	九鹰	our Company	64536989	9	October 27, 2032	PRC
66.	autoddp	DDPAI Cloud Technology	27206650	9	January 13, 2029	PRC
67.	petory	Chongpeipei	58722471	9	February 13, 2032	PRC
68.	宠陪陪	Chongpeipei	58734972	9	February 13, 2032	PRC
69.	盯盯拍	our Company	13059419	9	December 13, 2034	PRC
70.	MOLA	our Company	16707792	9	April 13, 2027	PRC
71.	MOLA 模拉	our Company	17767499	12	October 13, 2026	PRC
72.	MOLA 模拉	our Company	17767432	9	December 20, 2026	PRC
73.	MOLA	our Company	36403459	12	October 20, 2029	PRC

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
74.	MOLA	our Company	16707918	35	July 13, 2026	PRC
75.	九鹰	our Company	16708046	35	July 6, 2026	PRC
76.	DDPAI	our Company	3641483	9	December 26, 2034	Argentina
77.	DDPAI	our Company	418340	9	March 28, 2035	United Arab Emirates
78.	ddpai	our Company	1813709	9	December 4, 2026	Australia
79.	DDPAI	our Company	617689	9	October 13, 2035	Paraguay
80.	ddpai	our Company	912014229	9	October 1, 2028	Brazil
81.	ddpai	our Company	093243	9, 12, 28	January 18, 2027	African Intellectual Property Organization
82.	DDPAI	our Company	93117	9	January 2, 2034	Kazakhstan
83.	ddpai	our Company	4012665440000	9	July 4, 2027	South Korea
84.	ddpai	our Company	TMA996117	9	March 6, 2033	Canada
85.	DDPAI	our Company	97098	9	February 28, 2034	Cambodia
86.	ddpai	our Company	2017050957	9	January 17, 2027	Malaysia
87.	ddpai www.ddpai.com	our Company	5008019	9, 12	July 25, 2026	United States
88.	owlzer	our Company	5217152	9, 42	June 5, 2027	United States
89.	ddpai	our Company	5583931	42	October 15, 2028	United States
90.	DDPAI	our Company	2659671	9	February 8, 2034	Mexico
91.	owlzer	our Company	015904998	9, 12, 42	October 8, 2026	European Union Intellectual Property Office
92.	ddpai	our Company	016132243	9, 12, 42	December 4, 2026	European Union Intellectual Property Office

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
93.	ddpai	our Company	017183559	9, 12, 42	September 7, 2027	European Union Intellectual Property Office
94.	ddpai	our Company	5966946	9	July 27, 2027	Japan
95.	DDPAI	our Company	6581227	9, 12, 35, 42	June 30, 2032	Japan
96.	DDPAI	our Company	1821482	9	September 4, 2034	World Intellectual Property Organization
97.	pictrey	our Company	1869880	9	June 9, 2035	World Intellectual Property Organization
98.	ddpai	our Company	181118955	9	February 20, 2027	Thailand
99.	ddpai	our Company	40201620853S	9	December 4, 2026	Singapore
100.	DDPAI	our Company	1247331	9	September 20, 2033	New Zealand
101.	DDPAI	our Company	355819	9	September 7, 2032	Israel
102.	ddpai	our Company	3440513	9	December 22, 2026	India
103.	DDPAI	our Company	IDM001200716	9	September 4, 2033	Indonesia
104.	ddpai	our Company	UK00916132243	9, 12, 42	December 4, 2026	United Kingdom
105.	OWLZER	our Company	UK00916273501	9, 12, 42	January 19, 2027	United Kingdom
106.	ddpai	our Company	UK00917183559	9, 12, 42	September 7, 2027	United Kingdom
107.	DDPAI	our Company	UK00003309066	9, 12, 42	May 6, 2028	United Kingdom
108.	DDPAI	our Company	4-0376223-000	9	November 14, 2028	Vietnam
109.	DDPAI	our Company	N/201176	9	January 19, 2030	Macau Special Administration Region
110.	DDPAI盯盯拍	our Company	02147303	12	June 15, 2031	Taiwan
111.	DDPAI盯盯拍	our Company	02147158	9	June 15, 2031	Taiwan

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
1.	Dash Cam (N2/N3Pro)	our Company	ZL202530648002.0	Design	November 3, 2040	PRC
2.	Dash Cam (DK005)	our Company	ZL202530666444.8	Design	November 11, 2040	PRC
3.	Camera Component of Dash Cam (Z90)	our Company	ZL202530667473.6	Design	November 11, 2040	PRC
4.	A Visual perception device for complex environments	our Company	ZL202520550156.0	Utility Model	March 26, 2035	PRC
5.	Dash Camera (Digital Rearview Add-on)	our Company	ZL202530484132.5	Design	August 14, 2040	PRC
6.	The methodology and system for real-time analysis of visual information driven by brain-inspired computing	our Company	ZL202511047740.5	Invention Patent	July 28, 2045	PRC
7.	The methodology and system for neuromorphic visual target tracking based on image processing	our Company	ZL202510909413.X	Invention Patent	July 1, 2045	PRC
8.	The methodology for neuromorphic visual target classification based on nerve impulse network	our Company	ZL202510643329.8	Invention Patent	May 18, 2045	PRC
9.	The methodology and system for neuromorphic visual computing through rapid identification under dynamic scenarios	our Company	ZL202510460755.8	Invention Patent	April 13, 2045	PRC
10.	A kind of power-controlled device for multi-camera networking	our Company	ZL202520276627.3	Utility Model	February 19, 2035	PRC
11.	Dash camera (RearCam)	our Company	ZL202530068476.8	Design	February 16, 2040	PRC
12.	A kind of dash camera	our Company	ZL202423316001.5	Utility Model	December 30, 2034	PRC
13.	A kind of outdoor camera configuration	our Company	ZL202423197450.2	Utility Model	December 23, 2034	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
14.	Dash camera (Z30)	our Company	ZL202430795115.9	Design	December 12, 2039	PRC
15.	A kind of rotating and reflective dual-lens dash camera	our Company	ZL202422832436.9	Utility Model	November 19, 2034	PRC
16.	The methodology for optimized camera vision under rainy condition	our Company	ZL202411398693.4	Invention Patent	October 8, 2044	PRC
17.	Dash camera (M8)	our Company	ZL202430593920.3	Design	September 17, 2039	PRC
18.	A kind of dash camera	our Company	ZL202422040565.4	Utility Model	August 20, 2034	PRC
19.	Dash camera (DR2002)	our Company	ZL202430377161.7	Design	June 18, 2039	PRC
20.	Panoramic dash camera (V300)	our Company	ZL202430358814.7	Design	June 11, 2039	PRC
21.	Dash camera for motorcycles (Rangermini)	our Company	ZL202430358816.6	Design	June 11, 2039	PRC
22.	Dash camera (MINIX)	our Company	ZL202430257557.8	Design	April 29, 2039	PRC
23.	A methodology and system for time-serial image retrieval based on a panoramic dash camera	our Company	ZL202410289025.1	Invention Patent	April 13, 2044	PRC
24.	Dash camera (N5Dual)	our Company	ZL202430026066.2	Design	January 14, 2039	PRC
25.	The methodology and system for improving resolution of recorded video based on panoramic dash camera	our Company	ZL202311788192.2	Invention Patent	December 24, 2043	PRC
26.	A kind of robust outdoor dash camera mount	our Company	ZL202322546656.0	Utility Model	September 18, 2033	PRC
27.	An anti-fog outdoor dash camera	our Company	ZL202321813659.X	Utility Model	July 10, 2033	PRC
28	A dash camera designed to prevent camera vibration	our Company	ZL202321814176.1	Utility Model	July 10, 2033	PRC
29.	A dash camera designed for efficient heat dissipation	our Company	ZL202321814156.4	Utility Model	July 10, 2033	PRC
30.	A mounting structure to prevent lens misalignment	our Company	ZL202321812289.8	Utility Model	July 10, 2033	PRC
31.	Action camera (DDPAIRanger)	our Company	ZL202330221320.X	Design	April 19, 2038	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
32.	The methodology, device, medium and dash camera for image acquisition based on dual-lens	our Company	ZL202211013682.0	Invention Patent	April 22, 2042	PRC
33.	An easy-to-install dash camera	our Company	ZL202221677410.6	Utility Model	June 30, 2032	PRC
34.	An all-in-one car networking unit (S50-V2X)	our Company	ZL202230283222.4	Design	May 12, 2037	PRC
35.	A kind of in-vehicle terminal device	our Company	ZL202221158553.6	Utility Model	May 11, 2032	PRC
36.	The methodology, device, medium and electronic apparatus for controlling an in-vehicle display	our Company	ZL202111639526.0	Invention Patent	December 28, 2041	PRC
37.	An angle adjustment and positioning device for in-vehicle cameras	our Company	ZL202123321288.7	Utility Model	December 26, 2031	PRC
38.	Dash camera (π)	our Company	ZL202130646729.7	Design	September 27, 2036	PRC
39.	In-vehicle smart display (S50)	our Company	ZL202130542309.4	Design	August 18, 2036	PRC
40.	Lens for smart display	our Company	ZL202130542807.9	Design	August 18, 2036	PRC
41.	In-vehicle mount	our Company	ZL202022446884.7	Utility Model	October 28, 2030	PRC
42.	Dash camera	our Company	ZL201830500324.0	Design	September 5, 2033	PRC
43.	Dash camera for in-cabin surveillance	our Company	ZL201830481957.1	Design	August 28, 2033	PRC
44.	Dash camera	our Company	ZL201821218653.7	Utility Model	July 29, 2028	PRC
45.	The methodology for adjusting camera angles, the equipment for adjusting camera angles and in-vehicle video device	our Company	ZL201810681264.6	Invention Patent	June 26, 2038	PRC
46.	Dash camera	our Company	ZL201830142961.5	Design	April 9, 2033	PRC
47.	Dashcam rearview mirror (S1000)	our Company	ZL201830082825.1	Design	March 5, 2033	PRC
48.	The user interface with images of mobile phones	our Company	ZL201830074505.1	Design	February 26, 2033	PRC
49.	Temporary Parking Permit	our Company	ZL201820201566.4	Utility Model	February 4, 2028	PRC
50.	Dash camera (X3Pro)	our Company	ZL201830043329.5	Design	January 29, 2033	PRC
51.	Temporary Parking Permit	our Company	ZL201830036173.8	Design	January 24, 2033	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
52.	Dash camera	our Company	ZL201721886387.0	Utility Model	December 27, 2027	PRC
53.	Dash camera	our Company	ZL201721887517.2	Utility Model	December 26, 2027	PRC
54.	Device of rearview mirrors for vehicles	our Company	ZL201721845447.4	Utility Model	December 25, 2027	PRC
55.	Dash camera	our Company	ZL201721846621.7	Utility Model	December 25, 2027	PRC
56.	Dash camera	our Company	ZL201721626010.1	Utility Model	November 27, 2027	PRC
57.	The methodology for estimating road gradients, device for estimating road gradients, terminal equipment, and computer-readable storage medium	our Company	ZL201711134423.2	Invention Patent	November 15, 2037	PRC
58.	Dash camera	our Company	ZL201721494611.1	Utility Model	November 9, 2027	PRC
59.	Dash camera	our Company	ZL201721362669.0	Utility Model	October 19, 2027	PRC
60.	Dash camera (X3)	our Company	ZL201730482737.6	Design	October 10, 2032	PRC
61.	Step-down cable	our Company	ZL201730427831.1	Design	September 10, 2032	PRC
62.	Dash camera (mini3)	our Company	ZL201730427638.8	Design	September 10, 2032	PRC
63.	Device for in-vehicle display	our Company	ZL201721152699.9	Utility Model	September 7, 2027	PRC
64.	Dash camera	our Company	ZL201720985938.2	Utility Model	August 7, 2027	PRC
65.	Remote control	our Company	ZL201730310717.0	Design	July 13, 2032	PRC
66.	The methodology for filming, device for filming, video storage equipment and filming terminals	our Company	ZL201710549340.3	Invention Patent	July 6, 2037	PRC
67.	The methodology for filming and triggering surveillance devices	our Company	ZL201710286501.4	Invention Patent	April 26, 2037	PRC
68.	Triggering surveillance devices	our Company	ZL201720451080.1	Utility Model	April 25, 2027	PRC
69.	The methodology for assessing liabilities in traffic accidents, device for assessing liabilities in traffic accidents, and system for assessing liabilities in traffic accidents	our Company	ZL201611249308.5	Invention Patent	December 28, 2036	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
70.	The methodology for collecting recorded information and the system for information collection	our Company	ZL201611247687.4	Invention Patent	December 28, 2036	PRC
71.	Triggering recording devices and triggering recording systems	our Company	ZL201621281073.3	Utility Model	November 27, 2026	PRC
72.	Game camera	our Company	ZL201630535664.8	Design	October 27, 2031	PRC
73.	In-vehicle charger	our Company	ZL201630522339.8	Design	October 24, 2031	PRC
74.	Dash camera	our Company	ZL201630512433.5	Design	October 19, 2031	PRC
75.	Dash camera	our Company	ZL201630507336.7	Design	October 17, 2031	PRC
76.	Dash camera	our Company	ZL201621095802.6	Utility Model	September 29, 2026	PRC
77.	Dash camera	our Company	ZL201630490804.4	Design	September 29, 2031	PRC
78.	The methodology for live traffic updates and device for live traffic updates	our Company	ZL201610848298.0	Invention Patent	September 22, 2036	PRC
79.	The methodology and system for accessing to information about violations by vehicles	our Company	ZL201610776412.3	Invention Patent	August 29, 2036	PRC
80.	The user interface with images of mobile phones	our Company	ZL201630398896.3	Design	August 17, 2031	PRC
81.	The device for dashcam control device, methodology for dashcam control, and dash camera	our Company	ZL201610398670.2	Invention Patent	June 6, 2036	PRC
82.	The interaction methodology, interaction devices and interaction system	our Company	ZL201610280699.0	Invention Patent	April 28, 2036	PRC
83.	The in-vehicle information transmission system	our Company	ZL201610050046.3	Invention Patent	January 24, 2036	PRC
84.	The methodology and system for one-click information sharing based on dash cameras	our Company	ZL201610004218.3	Invention Patent	January 4, 2036	PRC
85.	The methodology, device and system for video image processing	our Company	ZL201510963315.0	Invention Patent	December 17, 2035	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
86.	The methodology, device and system for playing back videos from filming equipment based on networking technique	our Company	ZL201510915871.0	Invention Patent	December 9, 2035	PRC
87.	A resolution detection method, apparatus, device and storage medium for an imaging device	DDPAI Zhejiang	ZL202211626294.X	Invention Patent	December 15, 2042	PRC
88.	The methodology and system for accident alerts based on big data from driving records	DDPAI Cloud Technology	ZL202311760828.2	Invention Patent	December 19, 2043	PRC
89.	A slim and lightweight dash camera designed for efficient heat dissipation	DDPAI Cloud Technology	ZL202123342177.4	Utility Model	December 27, 2031	PRC
90.	A dash camera for rotation detection using a Hall sensor	DDPAI Cloud Technology	ZL202220190427.2	Utility Model	January 23, 2032	PRC
91.	Dash camera (mini5)	DDPAI Cloud Technology	ZL202030041748.2	Design	January 20, 2035	PRC
92.	Dash camera mola N3)	DDPAI Cloud Technology	ZL201930465051.5	Design	August 25, 2034	PRC
93.	The system for dash cameras	DDPAI Cloud Technology	ZL201821643327.0	Utility Model	October 8, 2028	PRC
94.	The methodology for delivering traffic updates and the delivery system	DDPAI Cloud Technology	ZL201610280409.2	Invention Patent	April 28, 2036	PRC
95.	The methodology and system for video playback based on map trajectories	DDPAI Cloud Technology	ZL201610078399.4	Invention Patent	February 3, 2036	PRC
96.	A kind of pet feeder	Chongpeipei	ZL202222597461.4	Utility Model	September 28, 2032	PRC
97.	Pet feeder (healthy)	Chongpeipei	ZL202330140699.1	Design	March 21, 2038	PRC
98.	A pet feeder with a pet food level monitor	Chongpeipei	ZL202222596449.1	Utility Model	September 28, 2032	PRC
99.	Smart Pet Feeder (BigEye)	Chongpeipei	ZL202230514983.6	Design	August 8, 2037	PRC
100.	Smart Pet Feeder (Guardian)	Chongpeipei	ZL202230514975.1	Design	August 8, 2037	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
101.	Dashboard camera (DashcamN8)	our Company	ZL202530484019.7	Design	August 14, 2040	PRC
102.	A kind of Intelligent robot vision collector	our Company	ZL202520669392.4	Utility Model	April 9, 2035	PRC
103.	A kind of Edge-Cloud Collaborative Vision Processor	our Company	ZL202520444693.7	Utility Model	March 13, 2035	PRC
104.	A kind of Riding interest event identification method, device and equipment and storage medium	our Company	ZL202310690821.1	Invention Patent	June 21, 2043	PRC

(c) Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Software Name	Copyright Owner	Registration Number	Registration Date	Place of Registration
1.	Youmera App Software	Chepaidang	2025SR0283101	February 19, 2025	PRC
2.	DDPAI MINI7X Plug-in Software	DDPAI Cloud Technology	2024SR1683714	November 4, 2024	PRC
3.	DDPAI App Software	DDPAI Cloud Technology	2024SR1647362	October 30, 2024	PRC
4.	DDPAI Intelligent Dash Cams Management System	DDPAI Cloud Technology	2024SR1481426	October 9, 2024	PRC
5.	Embedded System Software for Dash Cams	DDPAI Dongguan	2024SR1305967	September 4, 2024	PRC
6.	Riding Camera App Software (iOS Version)	DDPAI Cloud Technology	2024SR0673735	May 17, 2024	PRC
7.	Riding Camera App Software (Android Version)	DDPAI Cloud Technology	2024SR0528061	April 18, 2024	PRC
8.	Embedded System Software for Riding Camera	DDPAI Cloud Technology	2024SR0274324	February 18, 2024	PRC
9.	DDPAI Dash Cam App Software (iOS Version)	DDPAI Cloud Technology	2024SR0274317	February 18, 2024	PRC
10.	Embedded System Software for Pet Feeders	DDPAI Cloud Technology	2024SR0255703	February 8, 2024	PRC
11.	Pet Feeders App Software (iOS Version)	DDPAI Cloud Technology	2024SR0252674	February 8, 2024	PRC
12.	Furspark for iOS	Chongpeipei	2024SR0250516	February 7, 2024	PRC
13.	Pet Feeders App Software (Android Version)	DDPAI Cloud Technology	2024SR0243814	February 6, 2024	PRC
14.	Furspark for Android	Chongpeipei	2024SR0242392	February 6, 2024	PRC

No.	Software Name	Copyright Owner	Registration Number	Registration Date	Place of Registration
15.	Embedded System Software for Dash Cams	DDPAI Cloud Technology	2024SR0197035	January 30, 2024	PRC
16.	RANGER Riding Camera Software	DDPAI Cloud Technology	2024SR0131647	January 19, 2024	PRC
17.	DDPAI Dash Cams App System	DDPAI Cloud Technology	2024SR0056813	January 9, 2024	PRC
18.	New web DDPAI Factory Software	DDPAI Cloud Technology	2024SR0049958	January 8, 2024	PRC
19.	Π Mall Management System	DDPAI Cloud Technology	2024SR0051953	January 8, 2024	PRC
20.	Production Testing Tool Management System	DDPAI Cloud Technology	2024SR0042003	January 5, 2024	PRC
21.	DDPAI Testing Tool Desktop Client Software	DDPAI Cloud Technology	2024SR0040189	January 5, 2024	PRC
22.	DDPAI Dash Cams App Software (Android Version)	DDPAI Cloud Technology	2024SR0023736	January 4, 2024	PRC
23.	Partner Management System	DDPAI Cloud Technology	2024SR0000403	January 2, 2024	PRC
24.	Partner Mini-program Software	DDPAI Cloud Technology	2023SR1810601	December 29, 2023	PRC
25.	IOT Quality Management System	DDPAI Cloud Technology	2023SR1792814	December 28, 2023	PRC
26.	Big Data Analytics Platform	DDPAI Cloud Technology	2023SR1784278	December 27, 2023	PRC
27.	Smart Car Stereo Software	DDPAI Cloud Technology	2023SR1584969	December 7, 2023	PRC
28.	DDPAI Smart Car Stereo Pro Software	DDPAI Cloud Technology	2023SR1576205	December 6, 2023	PRC
29.	MINI5 Software	DDPAI Cloud Technology	2023SR1541981	November 30, 2023	PRC
30.	Dash Cams Software	our Company	2023SR1476305	November 21, 2023	PRC
31.	In-vehicle DDPAI Software	our Company	2023SR0570389	May 29, 2023	PRC
32.	Youmera Android App Software	Chepaidang	2022SR1537231	November 18, 2022	PRC
33.	Vehicle Monitoring System	our Company	2022SR0976695	July 28, 2022	PRC
34.	Furspark iOS Operating Software	our Company	2022SR0512769	April 24, 2022	PRC
35.	Parking Monitoring System	our Company	2022SR0477890	April 15, 2022	PRC
36.	Furspark android Operating Software	our Company	2022SR0474966	April 15, 2022	PRC
37.	Geometry E Dash Cam App Software	our Company	2022SR0391387	March 24, 2022	PRC
38.	Jixing Assistant Operating Software	our Company	2022SR0307303	March 3, 2022	PRC
39.	Smart Car Stereo Control Software	DDPAI Cloud Technology	2021SR0473647	March 30, 2021	PRC
40.	DDPAI N5 Product Software	DDPAI Cloud Technology	2021SR0473648	March 30, 2021	PRC

No.	Software Name	Copyright Owner	Registration Number	Registration Date	Place of Registration
41.	Autoying Vehicle Management System Software	DDPAI Cloud Technology	2020SR0822574	July 24, 2020	PRC
42.	DDPAI Software for Enterprise	DDPAI Cloud Technology	2020SR0648054	June 18, 2020	PRC
43.	Youmera ios App Software	our Company	2019SR0457068	May 13, 2019	PRC
44.	DDPAICAM System Software	DDPAI Cloud Technology	2018SR612909	August 2, 2018	PRC
45.	Vehicle Management System	DDPAI Cloud Technology	2018SR600910	July 31, 2018	PRC
46.	Owlzer Camera System	DDPAI Cloud Technology	2017SR612342	November 8, 2017	PRC
47.	Owlzer MCU System Software	DDPAI Cloud Technology	2017SR612338	November 8, 2017	PRC
48.	Olwzer iOS App Software	our Company	2017SR550521	September 27, 2017	PRC
49.	Olwzer Android App Software	our Company	2017SR550523	September 27, 2017	PRC
50.	DDPAI Android App Software	DDPAI Cloud Technology	2017SR548885	September 26, 2017	PRC
51.	DDPAI Dash Cam iOS App Software	DDPAI Cloud Technology	2017SR548883	September 26, 2017	PRC
52.	VYouCam V100R001 System	our Company	2016SR045132	March 4, 2016	PRC
53.	DDPAI Dash Cam Backend Software	our Company	2015SR250944	December 9, 2015	PRC
54.	VYouCam V100R001 System	our Company	2015SR189449	September 29, 2015	PRC

(d) 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	Copyright Owner	Registration Number	Registration Date	Place of Registration
1.	DDPAI	our Company	2022-F-10034435	February 16, 2022	PRC
2.	DSA (DDPai Side Assist) Lateral Assistance System	our Company	2018-F-00654816	October 29, 2018	PRC
3.	Logo of π	our Company	2018-F-00629203	September 29, 2018	PRC
4.	SENSEREALITY	our Company	2018-F-00629202	September 29, 2018	PRC
5.	π	our Company	2018-F-00609650	August 31, 2018	PRC
6.	Ding	our Company	2018-F-00502214	February 28, 2018	PRC
7.	DDPAI Trademark Logo	our Company	2016-F-00321440	March 21, 2016	PRC

No.	Name	Copyright Owner	Registration Number	Registration Date	Place of Registration
8.	MINI Logo	our Company	2016-F-00321441	March 21, 2016	PRC
9.	Petory	Chongpeipei	2022-F-10120580	June 15, 2022	PRC
10.	People & Cats & Dogs	Chongpeipei	2022-F-10120579	June 15, 2022	PRC

(e) Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered owner
1.	ddpai.com	our Company
2.	autoying.com	our Company
3.	ddpaicloud.com	DDPAI Cloud Technology
4.	youmera.com	Chepaidang

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents or intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors and Chief Executive

(a) Disclosure of Interests of Our Directors and Chief Executive

Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and save for the **[REDACTED]**, no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), the interests and short positions of each of our Directors and chief executive in shares, underlying shares and debentures of our Company or associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were 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 entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers as set out in Appendix C3 of the Listing Rules to be notified to us and the Stock Exchange, once the H Shares are **[REDACTED]** on the Stock Exchange, will be as follows:

(i) Interest in our Company

Name	Position	Shares to be held after the [REDACTED]	Nature of interest	Number of Shares to be held immediately following the completion of the [REDACTED] and the [REDACTED][(1)]	Approximate percentage of interests in H Shares immediately following the completion of the [REDACTED] and the [REDACTED]	Approximate percentage of interests in the total issued Shares immediately following the completion of the [REDACTED] and the [REDACTED][(3)]
Mr. Luo	Chairman of our Board, executive Director and general manager	**[REDACTED]**	Beneficial owner	**[REDACTED]** (L)	**[REDACTED]**%	**[REDACTED]**%
		[REDACTED]	Interest in controlled corporations[(2)]	**[REDACTED]** (L)	**[REDACTED]**%	**[REDACTED]**%
Mr. Yu Yunhui	Executive Director and deputy general manager	**[REDACTED]**	Beneficial owner	**[REDACTED]** (L)	**[REDACTED]**%	**[REDACTED]**%
Mr. Wang Kai	Executive Director and deputy general manager	**[REDACTED]**	Beneficial owner	**[REDACTED]** (L)	**[REDACTED]**%	**[REDACTED]**%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) As of the Latest Practicable Date, each of Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui directly held 9.88%, 5.72%, 5.18%, 1.87% and 1.57% interest in our Company. Given Mr. Luo is the general partner of each of Weiyou Gongchuang and Weiyou Gongying, and Shenzhen Yichen is the general partner of each of Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui, Mr. Luo is deemed to be interested in all the Shares held by each of Weiyou Gongchuang, Weiyou Gongying, Weiyou Gongxing, Weiyou Gongsheng and Weiyou Gonghui for the purpose of the SFO.

(3) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** and the **[REDACTED]** without taking into account any Shares that may be allotted and issued pursuant to the exercise of the **[REDACTED]**.

(b) Particulars of service agreements and appointment letters

Our Company [has entered into] a service agreement or an appointment letter with each of our Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations and observation of our Articles of Association.

The principal particulars of these service agreements and appointment letters comprise (a) the term of service; and (b) subject to termination in accordance with their respective term. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

(c) Directors' remuneration

For remuneration details of all Directors during the Track Record Period, please refer to Note 9(a) to the Accountants' Report as set out in Appendix I to this document.

During the Track Record Period, no remuneration was paid by us nor receivable by our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no remuneration was paid by us nor receivable by our Directors, former Directors or the five highest paid individuals for the loss of any office in connection with the management of the affairs of any member of our Group. During the Track Record Period, none of our Directors have waived or agreed to waive any remuneration.

Save as disclosed above, during the Track Record Period, no other amounts have been paid or are payable by any member of our Group to our Directors or the five highest paid individuals.

2. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any other person (other than our Directors or chief executive) who will, immediately following the completion of the **[REDACTED]**, have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our 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 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

3. Disclaimers

(i) Save as disclosed in this appendix, none of our Directors or chief executive has any interests and short positions in the shares, underlying shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us 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 has taken or is deemed to have under the provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to us and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, once the H Shares are **[REDACTED]** on the Stock Exchange.

(ii) Save as disclosed in the section headed "Substantial Shareholders", so far is known to our Directors or chief executive, no other person (other than our Directors or chief executive) will, immediately following completion of the **[REDACTED]**, have interests or short positions in our Shares and underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of our Group), be interested, directly or indirectly, in 10% or more of the issued voting shares of any other member of our Group.

(iii) None of our Directors or the experts (as named in this document) is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

(iv) None of our Directors or experts (as named in this document) had any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(v) None of the experts (as named in this document) (i) is interested legally or beneficially in any of the shares of our Company or our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for the securities of any member of our Group.

(vi) None of our Directors, their close associates or our Shareholders (which to the knowledge of our Directors owns more than 5% of the issued Shares (excluding treasury shares)) has any interest in our Group's five largest suppliers or five largest customers for each year/period during the Track Record Period.

(vii) Save that Mr. Luo is a director and manager of Shenzhen Yichen, none of our Directors is a director or employee of a company that has an interest or short position in the Shares and underlying Shares which, once the H Shares are **[REDACTED]** on the Stock Exchange, would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEMES

Our Company adopted the employee incentive schemes on October 27, 2015 and on March 18, 2026 (collectively, the "**Employee Incentive Schemes**"). As the Employee Incentive Schemes do not involve issue of new Shares after the **[REDACTED]**, the terms of the Employee Incentive Schemes are not subject to provisions of Chapter 17 of the Listing Rules.

In order to implement the Employee Incentive Schemes, our Company has established three Employee Incentive Platforms, namely Weiyou Gongchuang, Weiyou Gongxing and Weiyou Gongsheng. The shareholding of the above three Employee Incentive Platforms in our Company are as follows:

Name of Employee Incentive Platform	Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding as of the Latest Practicable Date	Number of Shares to be held immediately following the completion of the [REDACTED] and the [REDACTED]	Approximate percentage of shareholding immediately following the completion of the [REDACTED] and the [REDACTED]
Weiyou Gongchuang (1)	2,121,947	9.88%	**[REDACTED]**	**[REDACTED]**%
Weiyou Gongxing (2)	1,111,088	5.18%	**[REDACTED]**	**[REDACTED]**%
Weiyou Gongsheng (3)	402,157	1.87%	**[REDACTED]**	**[REDACTED]**%
Total	**3,635,192**	**16.93%**	**[REDACTED]**	**[REDACTED]%**

Notes:

(1) The general partner of Weiyou Gongchuang is Mr. Luo, holding approximately 53.84% interests therein. Weiyou Gongchuang has five limited partners, out of which, Pinghu Yichen, a company wholly owned by Mr. Luo, holds approximately 14.06% interests therein. The other four limited partners are three employees and one former employees of our Group. None of the limited partner holds 30% or more interest in Weiyou Gongchuang.

(2) The general partner of Weiyou Gongxing is Shenzhen Yichen, a company wholly-owned by Mr. Luo, holding approximately 0.018% interest therein. Weiyou Gongxing has 25 limited partners, which are all employees of our Group. None of the limited partner holds 30% or more interest in Weiyou Gongxing.

(3) The general partner of Weiyou Gongsheng is Shenzhen Yichen, holding approximately 0.039% interest therein. Weiyou Gongsheng has 34 limited partners, which are 33 employees and one external legal consultant of our Group. None of the limited partner holds 30% or more interest in Weiyou Gongsheng.

The following is a summary of the principal terms of the Equity Incentive Schemes:

1. Purpose of the Schemes

The purpose of the Employee Incentive Schemes is to establish and improve a long-term incentive mechanism, attract and retain talent, and enhance company cohesion.

2. Participants of the Schemes

The participants of the Employee Incentive Schemes (the "**Participants**") include our Directors, senior management, core technical personnel and other personnel of our Company and third parties who have made significant contributions to our Company's development in business dealings that our Board considers necessary to be incentivized. The Company will take into consideration factors such as the grantee's job level, job type, performance appraisal, length of service, awards, and relevance to job value when determining the list of grantees and the number of underlying Shares to be granted.

3. Total Number of Underlying Shares of the Incentive Awards

Participants are interested in a total of 3,635,192 Shares and will be interested in a total of **[REDACTED]** Shares through holding partnership interests (the "**Incentive Awards**") in the Employee Incentive Platforms, and such Shares represents approximately 16.93% and **[REDACTED]**% of the share capital of our Company in issue as of the Latest Practicable Date and immediately following the completion of the **[REDACTED]** and the **[REDACTED]**, respectively.

As of the date of this document, all Incentive Awards have been granted and the Incentive Awards under Weiyou Gongxing and Weiyou Gongsheng were in the lock-up period.

4. Details of the Incentive Awards Granted under the Employee Incentive Schemes

The table below shows the details of the Shares corresponding to the Incentive Awards granted to Directors, senior management, connected persons and other grantees under the Employee Incentive Schemes:

Name	Position	Date of grant	Relevant Employee Incentive Platform(s)	Approximate number of Shares corresponding to the Incentive Awards granted as of the Latest Practicable Date	Approximate number of Shares corresponding to the Incentive Awards granted immediately following the completion of the [REDACTED] and the [REDACTED]	Unlock date of Incentive Awards	
						First batch	Second batch
Mr. Luo	Chairman of our Board, executive Director and general manager	October 27, 2015, August 30, 2016, September 1, 2017, November 28, 2023, February 11, 2026, June 10, 2026	Weiyou Gongchuang(1)	1,440,662	[REDACTED]	-	-
		March 18, 2026	Weiyou Gongxing(2)	200	[REDACTED]	March 17, 2029	March 17, 2031
		March 18, 2026	Weiyou Gongsheng(2)	157	[REDACTED]	March 17, 2029	March 17, 2031
Mr. Yu Yunhui	Executive Director and deputy general manager	March 18, 2026	Weiyou Gongxing	134,401	[REDACTED]	March 17, 2029	March 17, 2031
Mr. Wang Kai	Executive Director and deputy general manager	March 18, 2026	Weiyou Gongxing	139,200	[REDACTED]	March 17, 2029	March 17, 2031
Mr. Guo Xiaogang (郭孝剛)	Executive Director and employee representative Director	March 18, 2026	Weiyou Gongsheng	50,000	[REDACTED]	March 17, 2029	March 17, 2031
Ms. Wang Zhilan (王枝蘭)	Head of finance	March 18, 2026	Weiyou Gongxing	36,500	[REDACTED]	March 17, 2029	March 17, 2031
		March 18, 2026	Weiyou Gongsheng	40,000	[REDACTED]	March 17, 2029	March 17, 2031

Name	Position	Date of grant	Relevant Employee Incentive Platform(s)	Approximate number of Shares corresponding to the Incentive Awards granted as of the Latest Practicable Date	Approximate number of Shares corresponding to the Incentive Awards granted immediately following the completion of the [REDACTED] and the [REDACTED]	Unlock date of Incentive Awards	
						First batch	Second batch
Mr. Ma Yiding (馬一丁)	Secretary to our Board	October 27, 2015	Weiyou Gongchuang	397,288	[REDACTED]	–	–
Other grantees		October 27, 2015	Weiyou Gongchuang	283,997	[REDACTED]	–	–
		March 18, 2026	Weiyou Gongxing	800,787	[REDACTED]	March 17, 2029	March 17, 2031
		March 18, 2026	Weiyou Gongsheng	229,958	[REDACTED]	March 17, 2029	March 17, 2031
Total				**3,635,192**	[REDACTED]		

Notes:

(1) Among the Incentive Awards in which Mr. Luo was interested as of the Latest Practicable Date (corresponding to approximately 1,440,662 Shares), the Incentive Awards corresponding to approximately 298,299 Shares were held by Pinghu Yichen.

(2) Incentive Awards corresponding to such Shares were held by Shenzhen Yichen.

(3) The Incentive Awards granted to each grantee under Weiyou Gongxing and Weiyou Gongsheng are subject to lock-up period. For details, please see "6. Unlocking of the Incentive Awards" in this section below.

5. Administration of the Schemes

The Shareholders' meeting is the highest decision-making body for the Employee Incentive Schemes and is responsible for reviewing and approving their management measures.

Our Board is the executive management body for the management measures, responsible for determining the list of grantees, and handling matters related to the implementation, modification and termination of the management measures within the scope authorized by the Shareholders' meeting.

Our Board may authorize specific personnel or departments within our Company to be responsible for the drafting and implementation of the management measures. The human resources department of our Company and the secretary to our Board are responsible for the organization, management and registration of the equity incentives and the finance department of our Company is responsible for fund collection and dividend distribution.

6. Unlocking of the Incentive Awards

The Incentive Awards under Weiyou Gongchuang have all been vested and are not subject to any lock-up period.

The Incentive Awards under Weiyou Gongxing and Weiyou Gongsheng have all been vested. The Incentive Awards granted to each grantee under Weiyou Gongxing and Weiyou Gongsheng are divided into two batches. The first batch (i.e. 60% of the

Incentive Awards granted) shall be unlocked upon expiry of 3 years from the date of grant and the second batch (i.e. 40% of the Incentive Awards granted) shall be unlocked upon expiry of 5 years from the date of grant (each a "**Unlock Date**"), respectively. The unlocking of each batch of Incentive Awards shall be subject to the financial performance of our Company for the year preceding the relevant Unlock Date, unless waived by our Company.

If the aforesaid unlocking conditions are not met for two consecutive years, the general partner of the relevant Employee Incentive Platform or its designated third party has the right to repurchase the Incentive Awards granted.

7. Source of Fund

The subscription price of the Incentive Awards is determined on comprehensive consideration of factors, including the participant's contribution to our Company and their respective professional and technical competence.

The grantees must acquire the Incentive Awards under the Employee Incentive Schemes with self-financed funds.

8. Lapse of Incentive Awards

The Incentive Awards of a grantee shall be repurchased by the general partner of the relevant Employee Incentive Platform or its designated third party upon occurrence of any of the following events:

(i) the grantee is being administratively punished for illegal activities or being criminally prosecuted for criminal acts;

(ii) the grantee is found to be violating national laws and regulations or seriously violating the rules and regulations of our Company and our affiliated companies, or committing dereliction of duty or malfeasance as stipulated in the employment contract;

(iii) our Company has evidence to prove that the grantee, during his/her course of employment, engaged in illegal or disciplinary violations, such as engaging in competing business, accepting or soliciting bribes, embezzlement, theft, disclosing business and technical secrets, or violating non-compete obligations, which directly or indirectly damaged our Company's interests;

(iv) the grantee is being dismissed or demoted for violating the rules and regulations of our Company and our affiliated companies for personal reasons, or causing our Company to terminate or cancel the employment contract (including being dismissed or removed from our Company);

(v) the employment of the grantee is terminated for any reason, and as determined by a person or department authorized by our Board, causing a negative impact on our Company; and

(vi) the occurrence of other circumstances deemed by a person or department authorized by our Board as serious violations of our Company's relevant regulations or serious harm to our Company's interests.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

As of the Latest Practicable Date, we are not aware of any litigation, arbitration or claims of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for **[REDACTED]** of and permission to **[REDACTED]** the H Shares. All necessary arrangements have been made enabling the H Shares 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.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of HK$4,000,000 to act as the sponsor of our Company in connection with the proposed **[REDACTED]**.

4. Compliance Advisor

Our Company has appointed Somerley Capital Limited as its compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are affected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

7. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice in this document:

Name	Qualification
CEB International Capital Corporation Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Jia Yuan Law Offices	Legal adviser to our Company as to PRC laws and PRC data compliance laws
Shook Lin & Bok	Legal adviser to our Company as to Malaysian laws
Afnan Abdulbaset Alnamnakani Law Firm	Legal adviser to our Company as to Saudi Arabian laws
Villablagon & Associates Law Firm	Legal adviser to our Company as to Philippine laws
Stephen Peepels, Esq.	Legal adviser to our Company as to export control and sanctions laws
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

8. Consent of Experts

Each of the experts named in paragraph 7 above [has given and has not withdrawn] its/his written consent to the issue of this document with the inclusion of its/his report, letter, memorandum and/or legal opinion (as the case may be) and references to its/his name included herein in the form and context in which it is included respectively.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group 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.

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately.

10. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025.

12. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Summary of Articles of Association – Repurchase of Shares" in Appendix V to this document.

13. Promoters

Information of our promoters as of the time of our Company's conversion into a joint stock limited company on June 3, 2016 is as follows:

No.	Name of promoter
1.	Mr. Luo
2.	Weiyou Gongchuang
3.	Mr. Yu Yunhui
4.	Mr. Yu Xiping (余熙平)
5.	Mr. Huang Cheng (黃程)
6.	Mr. Wang Kai
7.	Qianhai Huxing Investment Fund Phase 11* (前海互興投資基金11期)
8.	Beijing Zhenru Investment Management Co., Ltd.* (北京真如投資管理有限公司)
9.	Shenzhen Jiuyu Galaxy Zhineng Hulian Investment Fund (Limited Partnership)* (深圳九宇銀河智能互聯投資基金(有限合夥))
10.	Net Posa Technologies Ltd.*(東方網力科技股份有限公司)
11.	Mr. Guo Mingwen (郭銘文)
12.	Shenzhen Wanchuang Shidai Investment Corporate (Limited Partnership)* (深圳市萬創時代投資企業(有限合夥))
13.	Shenzhen Lafang Investment Management Co., Ltd.* (深圳市拉芳投資管理有限公司)
14.	Shenzhen Qianhai Huxing Asset Management Co., Ltd.* (深圳前海互興資產管理有限公司)

Within the two years immediately preceding the date of this document, no cash, securities or other benefit was paid, allotted or given, or proposed to be paid, allotted or given, to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

14. Miscellaneous

(a) Within the two years immediately preceding the date of this document:

(i) save as disclosed in the section headed "History, Development and Corporate Structure", no share or loan capital of any member of our Group had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "**[REDACTED]**", no commissions, discounts, brokerages or other special terms had been granted in connection with the issue or sale of any capital of any member of our Group; and

(iv) save as disclosed in the section headed "**[REDACTED]**", no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(b) There is no founder, management, deferred shares or any debentures in any member of our Group.

(c) There is no arrangement under which future dividends are waived or agreed to be waived.

(d) Save for our H Shares to be issued in connection with the **[REDACTED]**, there is no other stock exchange on which any part of our equity and debt securities is **[REDACTED]** or **[REDACTED]** or on which with **[REDACTED]** or permission to **[REDACTED]** is being or is proposed to be sought.

(e) There are no other treasury shares held by our Company or our subsidiary or through their agents or nominees.

(f) There are no outstanding debentures or convertible debt securities of any member of our Group.

(g) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) 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 VI to this document; and

(ii) the written consents referred to in "Statutory and General Information – E. Other Information – 8. Consent of Experts" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.ddpai.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Rongcheng (Hong Kong) CPA Limited, 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 Rongcheng (Hong Kong) CPA Limited on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out 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 Jia Yuan Law Offices, our PRC Legal Adviser, in respect of, among other things, certain general corporate matters and property interests of our Group;

(g) the Malaysian legal opinion issued by Shook Lin & Bok, our Malaysian legal adviser, in respect of certain general corporate matters of our Group;

(h) the Saudi Arabian legal opinion issued by Afnan Abdulbaset Alnamnakani Law Firm, our Saudi Arabian legal adviser, in respect of certain general corporate matters of our Group;

(i) the Philippine legal opinion issued by Villablagon & Associates Law Firm, our Philippine legal adviser, in respect of certain general corporate matters of our Group;

(j) the legal memorandum issued by Stephen Peepels, Esq., our export control and sanctions counsel;

(k) the material contracts referred to in "Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts" in Appendix VI to this document;

(l) the written consents referred to in "Statutory and General Information – E. Other Information – 8. Consent of Experts" in Appendix VI to this document;

(m) the service agreements and appointment letters referred to in the section headed "C. Further Information about Our Directors and Substantial Shareholders – 1. Directors and Chief Executive – (b) Particulars of service agreements and appointment letters" in Appendix VI to this document; and

(n) the PRC Company Law, the Securities Law of the PRC, the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations.