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OVERVIEW

Who We Are

We supply automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. We are the largest provider of automotive lighting products in China and one of the major participants in the global automotive lighting market by sales revenues in 2025. As of March 31, 2026, we had established business relationships with nine of the world’s top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry. According to Frost & Sullivan, based on sales revenue in 2025, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.6% in China and 4.6% globally, respectively. According to Frost & Sullivan, based on sales revenue in 2025, we also ranked first both globally and in China in the intelligent automotive lighting market, with a market share of 28.4% in China.

As of March 31, 2026, we operated 12 manufacturing facilities in China and Serbia and maintained 16 R&D centers worldwide, serving automotive customers across major markets in Asia, Europe and Americas. We are committed to advancing the globalization of our R&D, sales and manufacturing operations. By building a robust talent ecosystem, continuously investing in technology innovation, and driving digital and intelligent transformation, we have continued to strengthen our competitive advantages in the automotive lighting market. Leveraging our accumulated capabilities across optics, mechanics, electronics, software and materials, we are also actively expanding into emerging fields such as embodied intelligence.

The following diagram presents our strong market position and key business highlights as of March 31, 2026:



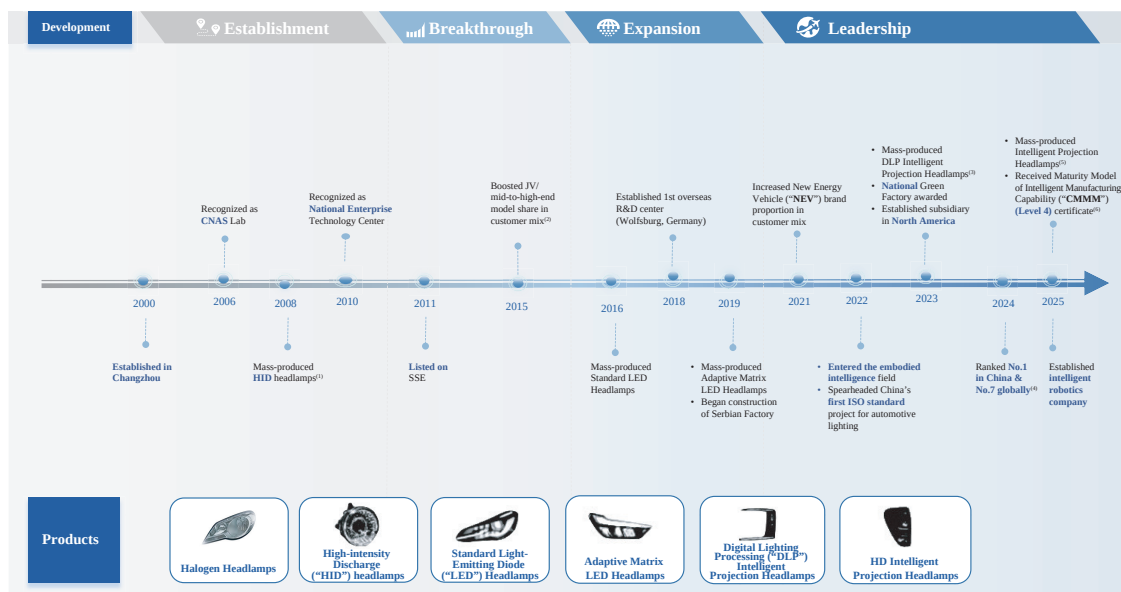
Notes:

- (1) According to Frost & Sullivan, the ranking is based on sales revenue in 2025.
- (2) We led and formulated the ISO/TS 5385:2022 standards in 2022, which became the first ISO standard approved in China’s automotive lighting industry.

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Our Key Milestones

The following diagram illustrates our key milestones since our establishment:



Notes:

- (1) Refers to the mass production of our first HID headlamp.
- (2) Refers to the continuous increase in the proportion of joint-venture brands/mid-to-high-end vehicle models within our customer mix.
- (3) Calculated based on revenue from the automotive lighting business in 2024, according Frost & Sullivan.

Our Business and Products

We focus on the design, development, manufacturing and sales of automotive lighting products. Centered on automotive lighting, we have expanded into intelligent automotive visual systems and are exploring the application of our intelligent manufacturing capabilities in the field of embodied intelligence. Our automotive lighting products are primarily customized solutions developed based on the specific requirements and vehicle platform specifications of individual automotive manufacturers. We also offer certain modular and platform-based controller products that can be applied across multiple vehicle models of the same customer. Depending on product functionality and vehicle electronic architecture requirements, we provide either hardware-only products or integrated hardware and software solutions. Our application-layer software is mainly developed in-house, while certain basic software components or development tools are procured or licensed from third-party suppliers. Our products primarily include the following categories:

Automotive Lighting Products

Automotive lighting is an important upgrade feature in vehicle iteration and a highly recognizable component in the era of intelligent vehicles, often influencing consumer purchase decisions. Our automotive lighting portfolio includes (1) front lighting, such as standard LED headlamps, adaptive matrix LED headlamps and intelligent projection headlamps (including HD and DLP solutions), which have evolved into intelligent sensing and dynamic light distribution systems; (2) rear lighting, featuring enhanced signaling display and interaction capabilities, including programmable lighting effects and customized animations, such as through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps; (3) other lighting, including carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products designed to enhance in-vehicle experience through dynamic brightness adjustment and integration with vehicle systems; and (4) controllers,

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including HCMs, RCMs, LCUs, HD and DLP controllers and intelligent driving controllers, which centrally manage lighting functions, enable safety protection and fault diagnosis and interface with overall vehicle systems.

Embodied Intelligence

We are actively exploring opportunities in the field of embodied intelligence, with the objective of leveraging and transferring our comprehensive R&D capabilities in intelligent automotive lighting optics, intelligent manufacturing technologies, and vertically integrated resources. We are focusing on the R&D and manufacturing of core components, as well as the deployment of embodied intelligent robots in industrial application scenarios, in order to pursue growth opportunities in this emerging sector. We have completed the development and validation of the structural components of head modules, joint modules, controllers and related components, and have provided systematic optical technology solutions for “lighting,” “projection” and “display.” Up to the Latest Practicable Date, we have delivered the first batch of sample embodied intelligence modules to our clients.

Our Customer

Through long-term, in-depth engagement in the automotive lighting industry, we have achieved comprehensive customer coverage, spanning Chinese domestic automotive brands, renowned global automotive brands, and both conventional vehicle brands and new energy vehicle brands. With respect to Chinese domestic automotive brands, we maintain close relationships with automotive manufacturers including FAW Hongqi, Chery, Seres, Geely, JAC, BAIC New Energy, Li Auto, NIO and XPeng, contributing to the continuous development of China’s automotive industry. With respect to internationally renowned automotive brands, we work with BMW, Volkswagen, Toyota, Nissan, Honda, Bentley and a well-known North American new energy vehicle manufacturer, and have received awards from customers worldwide. According to Frost & Sullivan, we have established business relationships with nine of the world’s top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry.

Our automotive lighting design and development activities cover the full vehicle development lifecycle, including styling design, product engineering, tooling development, prototype manufacturing, testing and validation, off-tooling sample approval, trial production and the production part approval process. The development cycle for a single project typically ranges from approximately 12 to 30 months. As a result, we have strengthened long-term customer relationships and established ourselves as a certified strategic supplier to a broad range of automotive manufacturers. As the global automotive industry continues to evolve rapidly, with shorter product cycles and accelerating technological change, we believe our experience in long-term, integrated customer collaboration will continue to support our competitive position.

Our Market Opportunities

We provide automotive lighting products to automotive manufacturers. Growth in vehicle demand, together with the industry’s transition toward intelligence, presents significant development opportunities for our business:

- **Continued expansion of the global automotive market:** According to Frost & Sullivan, global vehicle sales are expected to increase to 125.5 million units by 2030, representing a CAGR of 4.9% from 2025 to 2030. As the world’s largest automotive market, China is expected to continue leading industry development, while North America and Europe are expected to remain the second and third-largest markets, respectively. Looking ahead, with the continued increase in new energy vehicle penetration and the advancement of vehicle intelligence and connectivity technologies driving product upgrades and optimization of consumption structures, the long-term outlook for the automotive industry remains favorable, laying a solid foundation for the sustainable

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and healthy development of the automotive lighting industry. Leveraging our strong position in the automotive lighting sector and the firm execution of our globalization strategy, we are well-positioned to capture business opportunities arising from growth across automotive markets worldwide and to achieve improvements in operating performance and market share.

- **Intelligent and customized development of automotive lighting:** As the automotive industry rapidly transitions toward electrification and intelligence, automotive lighting is evolving into an intelligent visual system, supported by advancements in intelligent technologies and underlying technological iterations. According to Frost & Sullivan, the market size of intelligent automotive lighting products in China accounted for 8.6% of the total automotive lighting market, which is projected to rise sharply to 51.5% by 2030. As intelligent automotive lighting products become increasingly adopted, they are expected to provide drivers and other road users with richer intelligent experiences and interactive scenarios, thereby continuously enhancing the importance and demand for automotive lighting among automotive manufacturers and consumers. Building on the technological advantages gained through long-term R&D investment, we plan to further capture demand driven by the growth of intelligent automotive lighting and achieve increases in both average selling price and profitability.

Our Performance

Since our listing on the Shanghai Stock Exchange in 2011, our revenue has consistently recorded growth. During the Track Record Period, both our revenue and profit achieved sustained growth. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024. In 2025, our revenue totaled RMB15,256.7 million, representing a 15.1% increase compared to the corresponding period in 2024. For the three months ended March 31, 2025 and 2026, our revenue increased from RMB3,094.5 million to RMB3,429.9 million, representing a 10.8% growth. Our net profit amounted to RMB1,102.1 million and RMB1,408.3 million in 2023 and 2024, and RMB1,624.1 million in 2025, respectively. For the three months ended March 31, 2025 and 2026, our net profit increased from RMB322.1 million to RMB355.2 million, representing a 10.3% growth.

COMPETITIVE STRENGTHS

We are a dedicated player in the automotive lighting products industry with strong market recognition in China.

According to Frost & Sullivan, by sales revenue in 2025, we were the largest automotive lighting manufacturer in China and the seventh largest participant in the global automotive lighting market, with market shares of approximately 11.6% in China and 4.6% globally. In terms of customer collaboration, we have established stable cooperative relationships with nine of the world’s top ten automotive manufacturers by vehicle sales volume on a group level in 2025. As automotive lighting products are regulated safety components of vehicles, automotive manufacturers adopt a highly prudent approach in supplier selection, comprehensively assessing suppliers’ R&D capabilities, quality stability and overall service capabilities. As an automotive lighting manufacturer with a leading market position in China and a significant global presence, we have established long-term relationships with our customers based on our R&D capabilities, product quality and service efficiency. These relationships have supported higher customer retention and the continued expansion of our customer base. On the supplier side, our market position enables us to build a stable and scalable supply chain with cost efficiencies. Through long-term collaboration and joint development, we have established stable partnerships with our suppliers.

We are an industry leader in the intelligent automotive lighting sector, with substantial technological reserves and extensive project experience in advanced technologies such as HD, DLP and ISD. According to Frost & Sullivan, based on sales revenue in 2025, we ranked first globally and in China in the intelligent automotive lighting market, with a market share of 28.4% in China, significantly ahead of other market participants. Concurrently with

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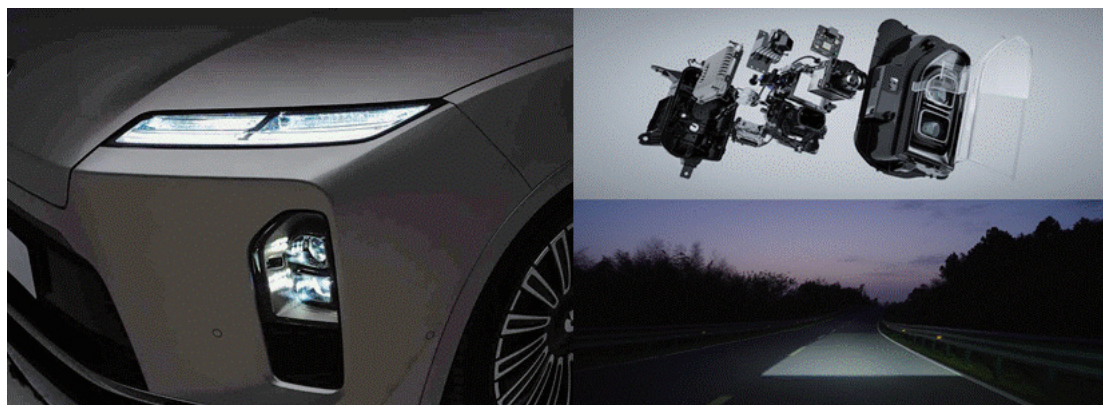
strengthening brand recognition and customer relationships, we continue to advance product and technology iteration in intelligent automotive lighting, maintaining our position at the forefront of technology innovation.

Our operating scale and industry position enable us to capture growth opportunities arising from the expansion of the global automotive lighting market. According to Frost & Sullivan, the market size of automotive lighting in China and globally is expected to reach RMB167.9 billion and RMB434.7 billion, respectively, by 2030, representing CAGRs of approximately 7.1% and 6.6% from 2025 to 2030. We believe that, as the largest automotive lighting products provider in China, we are well-positioned to fully leverage our competitive advantages and further increase our global market share.

Innovation-Driven Development and the Creation of Industry-Model Products

As the core visual interface through which vehicles interact with pedestrians and the external environment, automotive lighting has completed a strategic transformation from a single-function lighting component to a core component of vehicle intelligence. We remain dedicated to automotive lighting, driving innovation across technologies and application scenarios to deliver industry-defining benchmark products.

HD Intelligent Projection Headlamp



We have leading technological advantages in the field of HD automotive lighting. In 2025, we developed dual 10K pixel level HD headlamps for a leading Chinese new energy vehicle brand. This product features a 25,600 pixel projection interaction function, with both FOV (Field of View) and brightness reaching advanced levels, and has achieved favorable market reception.

DLP Intelligent Projection Headlamp



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We are also a leading participant in the DLP automotive lighting. During the Track Record Period, we launched dual million pixel level DLP intelligent projection headlamps. These products support a range of welcome lighting effects and intelligent interactive lighting functions and were subsequently adopted across multiple premium new energy vehicle models under different automotive brands.

Through-type Lamp



We have made sustained investments in automotive lighting design and aesthetics, introducing a series of products with a strong market influence. During the Track Record Period, our through-type automotive lamps have been adopted across a number of popular vehicle models globally.

Our lighting controllers serve as core enabling components for the deployment of advanced automotive lighting functions. They are deeply integrated with vehicle electronic systems and are among a limited number of industry solutions built on a platform-based architecture that can be deployed across multiple categories of automotive lighting products. We have completed a transition from a function-defined vehicle architecture to a software-defined vehicle architecture. Leveraging our proprietary software architecture and algorithm modules, our controller product portfolio provides stable support for advanced lighting effects and intelligent interaction functions, and our intelligent driving control product further enables system-level compatibility with L2 driver assistance features. In addition, through early-stage collaboration with automotive manufacturers during vehicle platform development, we are able to align closely with vehicle electrical architectures and applicable functional safety requirements, thereby improving development efficiency, shortening development cycles and enhancing the overall value proposition of our automotive lighting solutions.

Strong End-to-end Proprietary Development Capabilities, Supported by Sustained R&D Investment and Consistent Innovation Outputs

We have built a skilled and experienced R&D team by consistently attracting and retaining talent with robust technical backgrounds. As of March 31, 2026, we had a total of 2,128 R&D personnel, representing 27.6% of our total workforce, of whom over 500 held a master’s degree or above. Our top-tier talent base has become a foundation of our long-term growth.

We place strong emphasis on R&D investment. During the Track Record Period, our annual average R&D expenditure exceeded RMB700 million. As of March 31, 2026, we operated 16 R&D centers across China, Germany, Japan, the U.S. and Serbia. Our R&D activities span five core disciplines: optics, mechanics, electronics, software and materials. Based on in-depth insights into customer requirements, we develop styling concepts and co-create automotive lighting application scenarios. To address the requirements of diverse application scenarios, we also collaborate with upstream suppliers in the development of specialized polymer materials for automotive lighting applications. Our testing center is accredited by the CNAS, enabling us to conduct testing in accordance with applicable regulatory standards and customer specifications. In addition, we have been recognized as a National-level Enterprise Technology Center and a National-level Industrial Design Center, and we operate a postdoctoral research workstation accredited by the Ministry of Human Resources and Social Security of the PRC.

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We continue to deliver strong R&D outcomes. As of March 31, 2026, we held more than 2,800 granted patents of which more than 500 were invention patents. As of the same date, we had also received the Silver Award of the 20th China Patent Award and the Excellence Award of the 22nd China Patent Award. We also owned more than 400 software copyrights. We place strong emphasis on both theoretical research and technological application, and have published multiple academic papers in leading journals and at Institute of Electrical and Electronics Engineers (IEEE) international conferences, covering a broad range of areas, thereby contributing to the overall technological advancement of the automotive lighting industry.

We actively participate in the formulation of industry standards in the automotive lighting sector. We serve as the Vice Chairman Institution of the Automotive Lighting Committee of the China Association of Automotive Manufacturers, Chairman Institution of Automotive Signal and Related Standards Working Group, and the first drafting entity in China for an ISO international standard in the automotive lighting industry. As of March 31, 2026, we had led and participated in the formulation and revision of 17 international, national and industry standards, underscoring our active role in shaping industry standards and technical norms.

Driving Efficiency, Quality Improvement and Cost Control Through Vertical Integration

The design, development and manufacturing of automotive lighting products involve a highly complex, multidisciplinary and systematic process. Through our vertically integrated operating model, we have established in-house capabilities across key areas, including electronics, tooling and equipment. Supported by long-term R&D and continuous innovation, we have developed broad and in-depth expertise across these areas, enabling efficient cross-functional collaboration. As a result, we are able to continuously improve production efficiency, enhance product quality and maintain effective cost control. The details are set out below:

Electronics

As an automotive lighting manufacturers in the industry with in-house electronics factories, we have established a professional electronics R&D and process engineering team of more than 400 personnel, which is deeply involved throughout the entire lifecycle of automotive lighting projects. We also operate self-developed automated assembly lines for light source modules and controllers, with 100% automated inspection implemented at critical process stages, ensuring product consistency and reliability. Through end-to-end control spanning electronics R&D, process design and in-house manufacturing, we are able to deliver optimal solutions across technology, product quality and cost efficiency.

Tooling

Leveraging over two decades of sustained investment and expertise in tooling, we have established advanced in-house tooling design and manufacturing capabilities with more than 400 team members, allowing us to work closely with downstream customers and internal teams from the early stages of product design and development and to flexibly adjust solutions as needed. During the Track Record Period, the in-house manufacturing rate of our tooling for highly technical multicolor lens and optical component molds reached as high as 90%. Compared with outsourced tooling, our in-house approach not only enables effective cost control but also reduces tooling design lead time by approximately 20% and shortens tooling production cycles by approximately 10%, resulting in higher efficiency and more reliable tooling quality.

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Equipment

With over two decades of experience, we have established R&D capabilities with more than 290 R&D team members for intelligent equipment and automated production lines as of March 31, 2026, covering the full range of automotive lighting manufacturing processes. As of the Latest Practicable Date, the in-house manufacturing rate of equipment used in our automotive lighting assembly processes exceeded 90%, covering key processes such as adhesive dispensing, welding, electrical testing, dimensional inspection and vision inspection, and fully supporting the production requirements of various product types. Our in-house intelligent equipment and production lines not only help control costs but also enable smoother information exchange and process integration across different equipment, significantly improving both management efficiency and production efficiency.

Digital Intelligence Capabilities Deeply Empowering Our Operations and Management

Since 2022, we have comprehensively advanced a company-wide digital transformation, focusing on two primary initiatives: full-value-chain business process optimization and the development of digital model factories. In response to evolving market competition and our own development needs, we have continuously optimized core business processes across R&D, procurement, manufacturing, sales and services. We have established a digital technology team of nearly 100 professionals and utilized information technology to integrate data, enhance data utilization, and empower our production and operational activities. Our digital model factories have received broad recognition from relevant authorities, having been awarded honors including MIIT Intelligent Manufacturing Model Factory, National-Level Green Factory, National-Level High-quality Intelligent Manufacturing Scenarios, and have achieved CMMM (Level 4) certificate.

As a result of such initiatives, our product development cycle had been shortened by approximately 30% during the Track Record Period. Our digital and intelligent transformation across over ten manufacturing facilities has also led to a significant reduction in our inventory turnover days, from 101 days in 2023 to 82 days in 2024 to 76 days in 2025, and stabilized at 80 days in the three months ended March 31, 2026. Benefiting from Advanced Planning and Scheduling (“APS”) system on our IoT platform, we are able to optimize production planning and resource allocation, improving production responsiveness and resource utilization. In 2025, the fulfillment rate of our overall production scheduling reached over 99.5%. Additionally, we have developed hundreds of Business Intelligence (“BI”) dashboards and digital visualization panels which display key indicators in real time and cover full-value-chain business process. Our digital and intelligent transformation is embedded into daily workflows and supports rapid and efficient decision-making.

Building on the foundation of digital transformation, since 2025, we have actively explored the significant value of AI tools in operational management and manufacturing scenarios. We have promoted the deployment of AI applications in more than ten industrial AI use cases, and in areas such as intelligent review, machine vision inspection and automated process algorithm optimization. For example, we utilize AI-based predictive maintenance and automated evaluation of Eight Disciplines Problem Solving Reports (8D reports), upgrading quality management from reactive response to proactive prevention. The deep integration of digital transformation and AI applications has enabled us to establish advanced digital intelligence capabilities, continuously and comprehensively empowering our operational management.

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Strong R&D, Sales and Manufacturing Network Serving Customers Worldwide

We collaborate with leading automotive manufacturers globally and meet the diverse needs of customers across regions through our comprehensive R&D, sales and manufacturing systems.

- **Global R&D network:** As of March 31, 2026, we operated 16 R&D centers across Germany, Japan, the U.S., Serbia and China. Our global R&D platform is supported by a unified digital collaboration system, enabling cross-regional coordination while closely tracking global automotive lighting technology trends and fully leveraging China’s engineering talent base.
- **Extensive sales network:** Throughout our development, we have built a strong, stable and diversified customer base and gradually established a comprehensive overseas sales network. As of March 31, 2026, we operated a total of 24 offices and eight logistics centers across Asia, Europe and North America, enabling us to respond efficiently to customer needs.
- **International manufacturing footprint:** To further strengthen our international manufacturing capabilities and meet the growing demand from overseas customers, we commenced operations of our first overseas manufacturing base in Serbia in 2022, providing localized manufacturing support to automotive manufacturers in Europe.

Established Corporate Culture and an Experienced Management Team

While maintaining a strong focus on our core business and continuous innovation, we place significant emphasis on employee well-being and corporate social responsibility. This has enabled us to assemble a group of experienced employees who share common ideals and values, significantly enhancing team stability and cohesion, and laying a solid foundation for our long-term development.

We are led by a management team with deep expertise in the automotive lighting industry and a unique strategic vision. Our founder, Ms. Zhou Xiaoping, has dedicated over 30 years to the industry, utilizing her exceptional capabilities in strategic planning and corporate management to lead us to become a leading enterprise in China’s automotive lighting sector. Ms. Zhou serves as a deputy to the 14th Jiangsu Provincial People’s Congress, the Vice Chairperson of the China Association of Lighting Industry, and the Executive Vice Chairperson of the Automotive Lighting Committee of the China Association of Automotive Manufacturers. She has been honored with titles including Model Worker of Jiangsu Province and Excellent Entrepreneur of Jiangsu Province. In 2025, Ms. Zhou was awarded the Global SSL (Solid-State Lighting) Award for Outstanding Industry Development by the International SSL Alliance (ISA), in recognition of her sustained innovation and outstanding contributions to the automotive semiconductor lighting industry.

In addition to internally trained talent, our externally recruited members also possesses extensive industry experience. Under their collective leadership, we have seized the historic opportunities arising from the global development of new energy vehicles and are proactively expanding our business into the field of embodied intelligence. We will continue to leverage the management team’s industry expertise and strategic insight, together with our accumulated capabilities in optics, mechanics, electronics, software and materials, to deepen our presence in automotive lighting, automotive electronics and embodied intelligence.

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OUR STRATEGIES

Consolidating Our Leading Position in the Domestic Market and Expanding Our Global Market Share

With consistent dedication in automotive lighting technologies, we aim to consolidate our market position by maintaining our role as a leading automotive lighting company in China. By aligning our capabilities with the evolving requirements of our core customers, we have commenced construction of an intelligent automotive electronics and vision systems industrial center in Changzhou and are establishing additional manufacturing bases in regions such as Chongqing, thereby expanding our production capacity. The continued expansion of our nationwide manufacturing footprint is expected to enhance delivery capabilities, thereby supporting the further expansion of our market share in China’s automotive lighting market.

According to Frost & Sullivan, the global automotive lighting market is expected to grow at a CAGR of 6.6% from 2025 to 2030, reaching a market size of RMB434.7 billion by 2030. Targeting overseas automotive lighting markets currently dominated by foreign-funded manufacturers, we plan to steadily increase our global market share through long-term cooperation with high-quality global customers, the establishment of a globally integrated production and operating framework, and comprehensive technology innovation. Through these initiatives, we aim to further consolidate our competitive position and achieve sustainable long-term growth in the global automotive lighting market.

Deepening Our Footprint and Enhancing International Competitiveness

We plan to continue advancing our global expansion strategy to better serve global customers through localized manufacturing and support capabilities. Serbia serves as a cornerstone of our overseas production footprint. The phase I facility of our Serbian Manufacturing Base has already commenced mass production, and we plan to further advance the construction of the phase II manufacturing facility. Through the expansion of production capacity and upgrading of manufacturing capabilities, we intend to evolve our overseas manufacturing scope from rear lighting to front lighting, thereby further increasing our market share in the European automotive lighting market. At the same time, we are actively monitoring opportunities in the North American market and plan to establish local production capacity when appropriate, which is expected to become a new growth driver for our overseas expansion strategy. In addition, we plan to expand product exports and technology solutions to regions including the Middle East, India and South America, with a view to further increasing the contribution of overseas revenue, strengthening our position as a globally recognized automotive lighting company.

Driving Innovation in Automotive Lighting Technologies

We closely monitor industry trends and continue to enhance the technological sophistication of our automotive lighting products by increasing investment in technology innovation, with a view to further strengthening the safety, intelligence, sustainability, and customization of next-generation vehicle lighting solutions. We continue to lead industry technology innovation in the following areas:

- advancing the development of next-generation lighting technologies, including Micro-LED (10K-level pixel)/DLP (million-level pixel) intelligent projection headlamp technology, Mini Light-Emitting Diode (“**Mini-LED**”) ultra-high pixel intelligent display interactive lighting technology, multi-mode intelligent optical system integration technology, and perception-closed-loop intelligent headlamp technology;
- further developing advanced optical design capabilities and precision manufacturing process technologies, while strengthening the construction of high-reliability electronic control systems and software algorithm platforms;

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- focusing on sustainability-oriented innovation by leading the development of environmentally friendly materials for automotive lighting applications and promoting the global transition towards more energy-efficient and environmentally sustainable automotive lighting products.

Continuously Enhancing Our Digital Intelligence Capabilities Across the Entire Value Chain

With the objective of achieving digital integration and intelligent operations across the entire value chain by 2030, we continue to build a comprehensive ecosystem of digital intelligence and to develop AI-powered business models:

- **Digital Intelligence R&D:** We are implementing digital lifecycle management in R&D collaboration by establishing platforms for intelligent management of R&D and process data, a global automotive lighting R&D data center and digital twin systems, with a view to further enhancing R&D efficiency and design quality.
- **Digital intelligence manufacturing:** We place significant emphasis on the positive impact of intelligent manufacturing on production efficiency. Through the digital and intelligent upgrading of more than ten factories, we have continuously accumulated standardized factory operating procedures and platform deployment capabilities, enabling the rapid “plug-and-play” launch of new factories and “tailor-made” deployment adapted to local conditions, thereby ensuring efficient and scalable implementation across our international manufacturing footprint.
- **Digital intelligence decision-making:** We continue to apply artificial intelligence technologies to our decision-making systems by collecting and integrating data across procurement, sales, finance, human resources and energy management, and progressively advancing the automation and intelligence of operational and management decision-making.

Advancing the Development and Innovation of Embodied Intelligence Businesses

We continue to integrate and transfer the comprehensive technological capabilities accumulated through our core automotive lighting business across optics, mechanics, electronics, software and materials, to strengthen R&D in key embodied intelligence modules, with a strategic focus on optical technologies and the upgrading of core modules.

- **Development of training scenarios for embodied robotics models:** Leveraging intelligent manufacturing scenarios within our factories, we aim to provide targeted model training environments, continuously generate high-quality training data, and accelerate the deployment of embodied intelligent robots in industrial applications, thereby empowering broader industry adoption.
- **Promoting commercialization through diversified approaches:** We are currently collaborating with leading robotics companies in the industry to jointly establish an intelligent robotics company and have partnered with relevant universities to conduct R&D on robotic sensors, thereby continuously deepening our strategic positioning in the field of embodied intelligence. Considering our existing technological capabilities and manufacturing capacity advantages, we plan to adopt a diversified approach to developing embodied intelligence, encompassing strategic cooperation, industry-university-research collaboration and equity investments. Through these initiatives, we seek to drive the delivery of core component samples and secure commercial orders, while continuously exploring innovative application scenarios in the field of embodied intelligence.

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We are the largest automotive lighting products provider in China and a major global market player. Leveraging our decades of operating history, we have established an integrated operational footprint. As of March 31, 2026, we operated three major manufacturing bases, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust manufacturing network that enables us to serve key automotive markets in Asia, Europe and the Americas in an efficient manner.

Our manufacturing bases also function as localized operational support centers, integrating manufacturing facilities, warehousing facilities and logistics hubs, and are strategically positioned to serve nearby automotive manufacturer customers. To date, we have established ourselves as a strategic supplier to numerous leading domestic and international automotive manufacturers. We prioritize localized services, which we believe enable us to enhance responsiveness, streamline logistics processes, and improve precision in development and manufacturing, thereby ensuring compliance with customer specifications and requirements.

Our international manufacturing footprint supports modularized production and localized delivery, enabling us to respond flexibly and cost-effectively to automotive manufacturer development cycles while supporting the evolving needs of our customers.

The following diagram illustrates our operational footprint in and outside of China as of the Latest Practicable Date.



Note:

- (1) The above illustration does not reflect the actual geographical location of the shown countries or regions.

During the Track Record Period, we were primarily engaged in the integrated R&D, manufacturing and sale of automotive lighting products widely applied across multiple automotive manufacturers. Our product offerings mainly include front lighting, rear lighting, other lighting and controllers. For further details of our revenue breakdown by product type and geographic locations, see “Financial Information — Revenue”.

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OUR PRODUCTS

Automotive Lighting Systems

Automotive lighting systems are a key component of overall vehicle architecture and perform critical safety functions in everyday driving scenarios. As the automotive industry continues to evolve toward greater intelligence and electrification, vehicle lighting systems have progressed from basic functional components to important technological indicators of vehicle platform upgrades. In the age of intelligent vehicles, lighting systems stand out as some of the most recognizable exterior design elements. They also function as the main interface between the vehicle’s infotainment system and the outside world. Additionally, lighting plays a crucial role in consumer choices, as it directly showcases a vehicle’s technological features and brand identity.

Our product portfolio comprehensively covers front lighting, rear lighting, other lighting and controllers, spanning a complete range of interior and exterior user scenarios. We are committed to providing users with a comprehensive lighting experience that integrates safety, intelligence and personalization. From a driving safety perspective, we continually enhance the illumination precision and interactive experience of front lighting products through innovations in optical design and intelligent control technologies, while optimizing the warning effectiveness and dynamic signaling performance of rear lighting products. This enables us to effectively support driving safety under various operating conditions.

We also focus on creating a comfortable and customized “third space” for users. Through variations in color and brightness of ambient lighting and other optical components, we not only deliver essential functional illumination, but also transform lighting into a medium for emotional interaction, supporting features such as multi-scenario mode switching, music-responsive lighting effects and customizable color options, and providing users with a richer and more immersive in-vehicle entertainment and lifestyle experience. We will continue to advance along the core directions of “safety, intelligence and personalization” by deepening the integration of lighting systems with vehicle electronic architecture, perception systems and human-machine interaction interfaces, promoting the evolution of lighting systems from functional execution toward intelligent interaction, supporting automotive brands in building differentiated product offerings and creating a safer and more enjoyable mobility experience for end users.

From early-stage R&D through mass production, we work closely with our customers to co-develop and design system solutions, focusing on providing environmentally friendly system solutions based on customers’ needs. Such close collaboration enhances our understanding of customer requirements and fosters innovation, enabling us to deliver more effective and customized solutions, thereby improving customer satisfaction and loyalty. In addition, this collaborative development model continuously exposes us to diverse technical and market requirements, driving capability enhancement and management optimization. This enables us to gain insights into industry trends, and proactively develop new solutions and products, thereby capturing opportunities in emerging markets.

To date, we have established long-term and stable business relationships with a number of leading global automotive manufacturers. As of the Latest Practicable Date, we had established business relationships with nine of the world’s top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025. In particular, we have jointly developed and mass-produced DLP-based million-pixel projection headlamps with a leading Chinese new energy vehicle manufacturer, which integrates conventional lighting functions, ADB modules and million-pixel projection modules, and enables high-precision illumination, dynamic light carpet projection, and video projection functionalities, representing a significant advancement in intelligent automotive lighting technologies. As of the Latest Practicable Date, our DLP technology had been adopted by more premium passenger vehicle models of various automotive brands.

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Our Automotive Lighting Product Portfolio

Our automotive lighting product portfolio primarily comprises front lighting, rear lighting, other lighting and controllers.

- **Front lighting.** Our front lighting products have evolved from conventional lighting components into intelligent sensing and dynamic light distribution systems. Our representative products include standard LED headlamps, adaptive matrix LED headlamps, intelligent projection headlamps (including HD and DLP solutions) and front ISD interactive lamps.
- **Rear lighting.** The signaling display functions and intelligent interaction capabilities of our rear lighting products have been significantly enhanced, enabling interactive lighting signals, programmable lighting effects and customized animations, which improve vehicle recognizability and brand characteristics. Our representative products include through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps.
- **Other lighting.** Our other lighting products create a more human-centric and emotionally expressive atmosphere inside and outside the vehicle through dynamic brightness adjustment, customized welcome lighting effects and integration with vehicle body systems, which help regulate the mental state of drivers and passengers and enhance the overall experience of road users. Our representative products include carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products.
- **Controllers.** Controllers are core components that centrally receive instructions from the vehicle and sensors, control lighting functions, provide safety protection and fault diagnosis capabilities, and interface with overall vehicle systems. Our representative products include lighting controllers such as HCMs, RCMs and LCUs, HD and DLP controllers, and intelligent driving controllers.

During the Track Record Period, the unit selling prices of our front lighting products ranged from approximately RMB170 to RMB6,700; the unit selling prices of our rear lighting products ranged from approximately RMB70 to RMB2,200; the unit selling prices of our other lighting products ranged from approximately RMB7 to RMB160; and the unit selling prices of our controllers ranged from approximately RMB70 to RMB3,600.

The list below illustrates representative automotive lighting products and their various application scenarios:

Standard LED Headlamp



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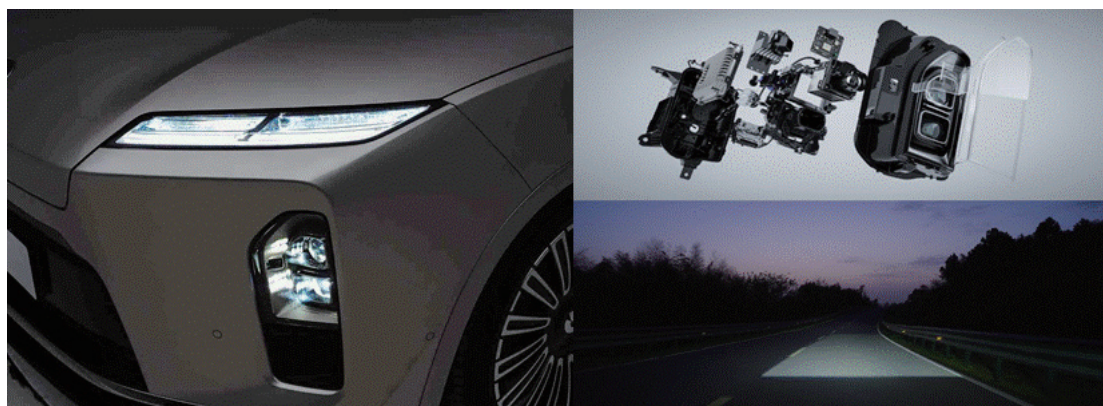
Our LED headlamps use light-emitting diodes as the light source, offering lower energy consumption, longer service life and faster response compared with traditional halogen and xenon lamps. Their compact size and flexible design support customized vehicle styling, and as costs continue to decline, LED headlamps are increasingly adopted across a wide range of vehicle models.

Adaptive Matrix LED Headlamp



Our adaptive matrix LED headlamps integrate ADB technology and use cameras and sensors to monitor road conditions in real time, enabling precise control of individual LEDs to dynamically adjust beam patterns. This allows the system to maintain high-beam illumination while selectively dimming or switching off specific LEDs to reduce glare to other road users, thereby enhancing visibility and driving safety.

HD Intelligent Projection Headlamp



Our HD intelligent projection headlamps support high-definition projection and dynamic lighting functions, enhancing user experience and nighttime driving safety through features such as real-time lane illumination. The system significantly improves lighting precision to up to 25,600 pixels and enables interactive functionalities through projection imaging. It also supports OTA updates, allowing continuous feature enhancement and improved human-vehicle interaction.

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DLP Intelligent Projection Headlamp



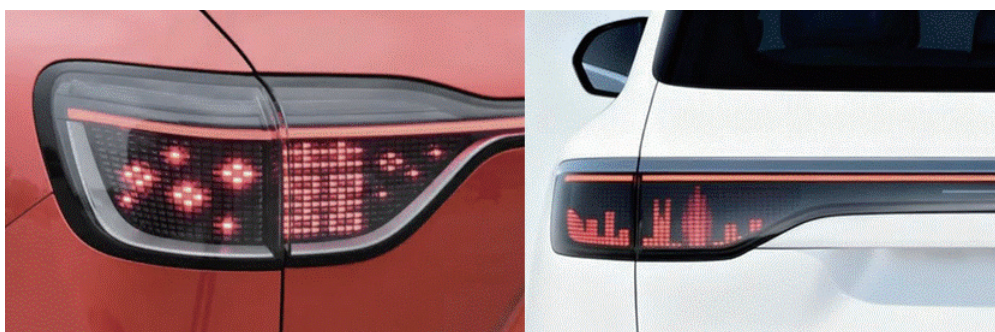
Our DLP intelligent projection headlamps integrate advanced hardware, interactive functions and upgradeability, representing a new generation of intelligent lighting systems. Equipped with high-definition projection technology, they support features such as lane guidance, pedestrian-yield indications and customized projections, enhancing driving safety and user interaction. The system also supports OTA upgrades, enabling continuous functional expansion and reinforcing the premium and intelligent positioning of vehicle models.

Through-type Lamp



Our through-type lamps feature a continuous lighting design spanning the full width of the vehicle and integrate functions such as position lights, brake lights and turn signals. This design enhances visual impact, perceived vehicle width and nighttime recognizability, and has been widely adopted across both premium and mainstream vehicle models.

ISD Interactive Lighting Products



Our ISD interactive lighting products comprise independently controllable LED pixels capable of dynamically displaying graphics, text and animations, enabling customizable lighting patterns beyond traditional fixed designs. Integrated with vehicle electronic architecture and autonomous driving systems, they support OTA updates for continuous functional enhancement. ISD interactive lighting enables visual communication with road users, such as pedestrian-yield indications and driving prompts, thereby enhancing safety and interaction.

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OLED Rear Lamp



Our OLED rear lamp products adopt an ultra-thin panel integrated molding design, creating a distinctive three-dimensional appearance while enabling pixel-level independent light control. The full surface delivers uniform illumination with no visible light granularity or dark zones, achieving smooth and transparent transitions between light and shadow, and enhancing the vehicle’s sense of technological sophistication and luxury. As a digital interactive lighting system, the products support user-defined patterns and dynamic lighting effects. Scenario-based displays, including light shows and charging indicators, enable vehicles to communicate with their surroundings in real time through light as a language, transforming the lighting system into an emotional medium that embodies intelligent luxury.

Carpet Projection Lamp



Our carpet projection lamps improve user experience by providing scenario-based interaction. When users approach or leave the vehicle, the system automatically projects customized welcome light carpets and dynamic animations, enhanced with lighting and sound effects. This creates a memorable entry and exit experience, complemented by additional features.

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Ambient Lighting and Interior Lighting Products



Our carpet projection lamps enhance user experience with scenario-based projection interactions. When users approach or leave the vehicle, the system automatically displays personalized welcome light carpets and dynamic animations, complemented by lighting and sound effects to craft a unique entry and exit experience, along with additional supporting features.

Controller Products



Our controller products include (1) headlamp control modules, (2) lighting control units, (3) DLP/HD controllers, and (4) intelligent driving controllers. These serve as core components for advanced automotive lighting and driver assistance functions. They support adaptive features like pixelated adaptive high beam, Adaptive Frontlight System (“AFS”), and Automatic Headlamp Leveling System (“ALS”), along with exterior interaction and information display functions. All comply with relevant regulatory and safety standards, including Automotive Safety Integrity Level B (“ASIL-B”). Built on scalable, platform-based architectures, our controllers enable configurable software across vehicle models, simplify development, and support OTA updates for ongoing improvements. Our DLP/HD controllers deliver power supply, communication, logic control, and diagnostic monitoring for high-resolution projection modules. Meanwhile, our intelligent driving controllers incorporate high-definition cameras and vision algorithms to enable Level 2 ADAS functions such as adaptive cruise control and lane-keeping assist, offering cost-effective solutions for passenger vehicles.

R&D

We are committed to technology innovation, which is critical to enhancing our competitiveness, creating value for our customers, and driving the growths of our sales and profitability. We have made, and will continue to make, substantial investments in R&D. In 2023, 2024, 2025 and the three months period ended March 31, 2026, our research and development expenses totaled RMB610.2 million, RMB655.5 million, RMB883.7 million and RMB229.0 million, representing 6.0%, 4.9%, 5.8% and 6.7% of our revenue for the corresponding years/period, respectively.

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Our R&D System

Our global R&D system adopts a “1+N” tiered architecture that integrates technology research and product development. This system comprises (i) our R&D headquarters in Changzhou, which focuses on the overall R&D framework and capability building, and leads applied innovation and product development and introduction, and (ii) 15 R&D centers located in other cities in China as well as in Germany, Serbia, the U.S., and Japan. Such a system covers the entire innovation chain from the technology initiation stage to product development stage. This structured system enables us to rapidly translate research outcomes into high-quality products at scale and has proven highly effective in supporting our growth and enhancing our competitiveness.

Our Changzhou R&D headquarters plays a critical role in advancing core technologies with broad applications across multiple industries. In particular, the Xingyu Research Institute at our headquarters plays a pivotal role in driving innovation and technological advancement, with a focus on exploring the latest technologies, such as digital projection headlamps, flying vehicle lighting and intelligent visual interaction systems. In addition to the research institute, the Changzhou R&D headquarters has long been committed to an integrated innovation framework combining optics, mechanics, electronics, softwares and materials to enhance product performance and competitiveness.

All 16 R&D centers are interconnected through a unified digital collaboration platform, supporting real-time data sharing, cross-regional project collaboration and standardized end-to-end R&D management. The entire R&D system is coordinated through a Product Lifecycle Management (“PLM”) system, enabling fully digitalized collaboration and control from concept development through mass production. Each regional R&D center is located near customer sites, enabling it to quickly absorb R&D results from our Changzhou R&D headquarters and respond in real-time to customer project requirements. Through their close integration with business units, these centers ensure the smooth commercialization of R&D results and the continuous alignment of products with market demand.

We not only focus on technology research but also establish production technique R&D department focusing on manufacturing process and in-house departments specialized in intelligent equipment and tooling. This enables us to form vertically integrated capabilities spanning core processes and production equipment, providing solid support for efficient product development and stable mass production.

Collaboration with third-parties

We also place significant emphasis on collaboration with universities and research institutions in China. We have actively partnered with Zhejiang University to establish a joint research program on free-form surface optics, collaborated with Changchun University of Science and Technology on optical diffraction and refraction technologies, and worked with Jiangnan University on styling design and scenario-based interaction co-creation, to further enhance the design freedom, imaging quality, richness of light-signaling expression, and intelligent interactive experience of intelligent automotive lighting systems. In addition, we work closely with national key laboratories to jointly explore new technologies in intelligent automotive lighting, diffractive projection, and self-adaptive light beam control to overcome key challenges including high-precision light distribution, complex free-form surface integration, and dynamic intelligent lighting control. Furthermore, we have been recognized as a National Industrial Design Center and a National Enterprise Technology Center and have established a “Postdoctoral Research Workstation” accredited by the Ministry of Human Resources and Social Security of the PRC, as well as several high-level research platforms, including the Jiangsu Provincial Key Laboratory of Intelligent Automotive Lighting Systems and the Jiangsu Provincial Automotive Lighting Engineering Technology Research Center.

In respect of our collaborations with automotive manufacturers and other third-parties, such arrangements are generally project-based and governed by cooperation or development agreements setting out, among others, the scope of work, development period, roles and responsibilities of each party, and confidentiality obligations. For co-development

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projects with automotive manufacturer customers, we typically undertake product design and development in accordance with customer specifications, and all intellectual property rights arising from such projects are generally owned by the customers. For collaborations with third parties, including humanoid robot manufacturers, universities and research institutions, the ownership of intellectual property rights is determined in accordance with the relevant contractual arrangements and may be jointly owned or owned by us, depending on the nature of the collaboration. Such collaboration arrangements generally do not involve material profit- or loss-sharing mechanisms and fees payable to third parties are typically determined based on agreed service scope or development work. The salient terms of the agreements are set out below:

- **Duration.** The agreements are generally entered into for a fixed term or the duration of the relevant development project, typically ranging from one to two years, and may be extended or renewed upon mutual agreement of the parties.
- **Roles and responsibilities.** Depending on the nature of the project, our counterparties are generally responsible for defining technical specifications, functional requirements, vehicle integration requirements, project objectives or research scope, while we are generally responsible for product design, engineering development, testing, validation, tooling development, production preparation and technical support. In joint development projects, the parties share development responsibilities in accordance with agreed work allocation arrangements.
- **Pricing.** Consideration is generally determined on a project-by-project basis and may take the form of fixed development fees, milestone-based payments, hourly service fees or cost-sharing arrangements. Payment schedules are typically linked to the completion of specified development milestones, deliverables or project acceptance.
- **Commercial rights and intellectual property.** Intellectual property rights developed under these agreements are allocated in accordance with the specific contractual arrangements. Depending on the nature of the cooperation, (i) newly developed intellectual property may belong to us, (ii) may be jointly owned by us and our counterparties, or (iii) may belong to the customer where the development is based on customer-provided technologies, specifications or resources. For jointly owned intellectual property, either party may generally use the jointly developed technology for its own business purposes, while licensing, transferring or otherwise commercializing such intellectual property to third parties typically requires the prior written consent of the other party. Where intellectual property belongs to the customer, we are generally restricted from commercializing, licensing or supplying products incorporating such intellectual property to third parties without the customer's prior consent. Up to the latest practicable date, we have had one co-owned patent with a third-party developer.
- **Confidentiality.** The parties are generally required to keep confidential all technical, commercial and other proprietary information obtained in connection with the cooperation and may not disclose such information to third parties without prior written consent, except as required by applicable laws or regulations. Confidentiality obligations generally survive the termination or expiration of the agreements.
- **Termination.** The agreements may generally be terminated by mutual agreement of the parties, upon material breach by either party, insolvency or inability to perform contractual obligations, force majeure events or other specified termination events. Termination generally does not affect accrued rights and obligations, including confidentiality and intellectual property provisions intended to survive termination.

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Our R&D Talents and Accreditation

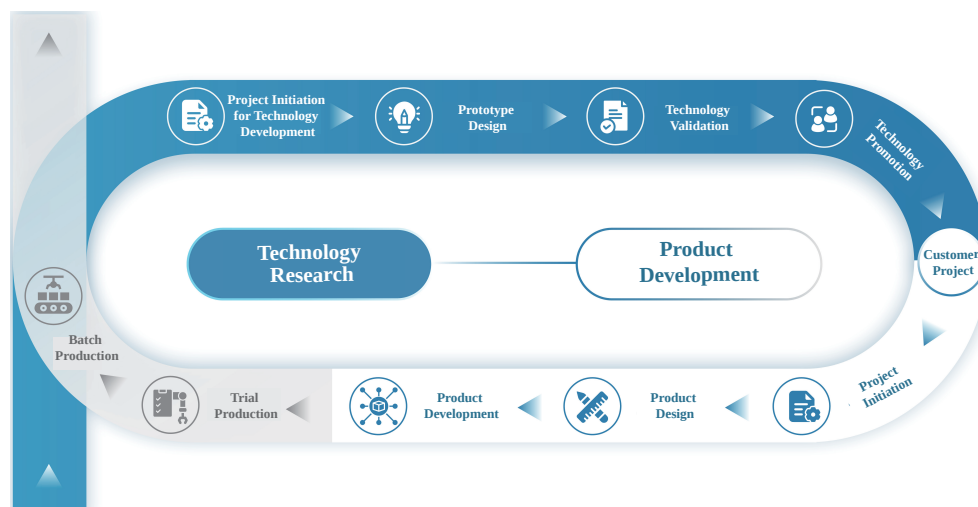
As of March 31, 2026, we employed 2,128 R&D personnel, including globally leading industry experts, more than 500 of whom held a master’s degree or above. Three of our experts serving on the International Organization for Standardization/Road Vehicles Technical Committee (ISO/TC 22) actively participate each year, under the organization of the MIIT, in the Working Party on Lighting and Light-Signalling (GRE) working group meetings under UNECE/World Forum for Harmonization of Vehicle Regulations (WP.29) and submit proposals on behalf of China. We are also a member of the strategic working group of the Global Technical Regulations for Automotive Lighting and Light-Signaling (GTB), participating in research on future regulations for the automotive lighting industry. The first ISO standard project initiated by the Chinese automotive lighting industry, “Road Vehicles — Anti-fog Coatings for External Lighting Devices — Technical Requirements,” which we led, was unanimously approved and formally published by the International Organization for Standardization, filling a gap in international standards in the automotive lighting field. As of March 31, 2026, we had led or participated in the formulation and revision of 17 international, national and industry standards.

Additionally, our testing center has obtained accreditation from the CNAS, allowing us to conduct a wide range of tests required by national regulations and customer specifications. As of March 31, 2026, we owned more than 2,800 patents worldwide and had initiated an international patent layout under the Patent Cooperation Treaty (PCT), thereby strengthening intellectual property protection for the commercialization of our technological achievements and supporting our market expansion efforts.

Our R&D Process

Our R&D efforts focus on outcomes with practical application potential that can be commercialized. Most R&D projects are directly aligned with specific customer vehicle models or next-generation core technologies, ensuring that our R&D results can be rapidly translated into mass-produced products or advanced manufacturing processes. This results-oriented, customer-driven R&D framework is a key driver that enables us to maintain a leading position in high-value intelligent automotive lighting products.

Our R&D process primarily comprises two key phases, technology research and product development.



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During the technology research phase, (1) at the technology initiation stage, our R&D team analyses market trends and applicable regulatory standards to define product positioning and key performance targets, and formulates a technology roadmap to support project approval decisions; (2) during the prototype design stage, we carry out cross-disciplinary design covering styling, optical performance, structural configuration, electronic hardware and software systems, with integrated validation to ensure functionality and reliability; (3) in the technology validation stage, prototype products undergo comprehensive testing, including optical performance verification, environmental durability testing and mandatory certification, to ensure compliance with applicable standards; and (4) during the technology promotion stage, we engage with customers through technical exchanges and product definition discussions to secure project nominations and support continuous product iteration. During the product development phase, (1) at the project initiation stage, we translate customer requirements into detailed design specifications, establish project plans and form cross-functional teams to ensure efficient project execution; (2) during the product design stage, we complete product and system design, process planning and equipment design, with multi-department validation to ensure manufacturability and quality; and (3) in the product development stage, we coordinate with suppliers to develop molds, equipment and components, conduct trial production and OTS approval, and complete testing and certification to support mass production.

Our R&D Initiatives

Our research and development activities in automotive lighting focus on integrated lighting, electronics and perception systems with particular emphasis on precise optics, lighting control algorithms and visual interaction technologies. We address key technical challenges related to glare control, beam distribution accuracy and optical signal clarity to enhance driving safety, while actively exploring perception-close-looped intelligent lighting systems. Our R&D efforts also aim to improve light distribution uniformity, material durability and environmental resistance, as well as to enhance thermal and mechanical reliability, reduce component size and power consumption, and optimize overall cost efficiency. We are advancing several major R&D initiatives focused on next-generation intelligent automotive lighting technologies. We are undertaking iterative R&D and application of intelligent lighting systems based on DLP, Micro-LED and integrated perception fusion technologies, including the establishment of pilot production lines, development of validation tools and trial production, with a view to progressing towards commercialization of next-generation products. In parallel, we are developing weather-resistant and environmentally friendly materials to enhance product reliability and support sustainable innovation. We are also enhancing our intelligent automotive lighting software solutions and development platforms, which is expected to improve development efficiency and shorten product development cycles. These initiatives are currently at various stages of development, and we expect to achieve key milestones, including pilot production readiness, platform upgrades and material validation, progressively over the next two to three years. Up to the Latest Practicable Date, we have achieved significant milestones in our DLP and Micro-LED technologies, successfully commercializing these upgrades in our customers' latest NEV product lines in 2026.

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Our R&D on Embodied intelligence

We continuously integrate and leverage the comprehensive capabilities in optics, mechanics, electronics, software and materials that we have accumulated through our core business over many years, together with our automotive-grade integrated and vertically integrated manufacturing capabilities, to strengthen our research, development and manufacturing capabilities in the field of embodied intelligence products. We have completed the development and validation of head modules and related components, and are now able to provide systematic optical solutions that encompass illumination, display and projection technologies.

Our embodied intelligence robot components primarily comprise (1) head interaction modules, which integrate OLED displays, cameras, Light Detection and Ranging (“**LiDAR**”), voice modules, central control units and concealed lighting technologies to enable perception, decision-making and interaction functions, and can be customized based on customer requirements; (2) optical modules, which utilize DLP, Micro-LED and laser projection systems to support environmental labeling, spatial guidance and multi-modal human-machine interaction, enhancing task coordination and expression capabilities of robots; and (3) robot skins and structural components, which combine In-Mold Labeling (“**IML**”), multi-color injection molding and nano-micro engraving technologies with optical and temperature sensors, lighting and heating modules to enable environmental interaction and status feedback, while surface treatment technologies and functional coatings improve durability, optical performance and appearance quality.

Up to the Latest Practicable Date, we had commenced R&D cooperation with several leading domestic humanoid robot manufacturers, providing joint development of robot head interaction modules, optical systems and related joint drive components, among which part of partners had completed prototype delivery and entered the testing or pilot phase.

Our Technologies

Through years of sustained R&D efforts, we have successfully transformed research into a series of proprietary technologies, enabling us to compete effectively in the market. Our core technologies include:

- *Micro-LED 10K-level pixel intelligent projection headlamp technology:* enables pixel-level dynamic light distribution, anti-glare high-beam functionality and road projection features, with mass-produced solutions supporting up to 25,600 pixels, significantly enhancing nighttime driving safety and interactive experiences.
- *DLP million-level pixel intelligent projection headlamp technology:* supports projection resolutions of up to 1.3 million pixels, enabling ultra-high-definition welcome animations, ground projection of navigation information, audio-visual entertainment and motion-based interactive gaming applications.
- *Mini-LED ultra-high-pixel intelligent display interactive lighting technology:* supports more than 100,000 independently controllable pixels per lamp, enabling programmable dynamic rear lighting and high-definition exterior interactive light signaling.
- *Multi-mode intelligent optical system integration technology:* deeply integrates AFS, ADB and DLP into a single headlamp module, achieving an optimal balance in a limited space, high performance and cost efficiency, and has been mass-produced and applied in multiple flagship vehicle models.
- *Perception-closed-loop intelligent automotive lighting technology:* incorporates cameras and sensors within lighting systems to enable environment-adaptive light adjustment, light-based environmental perception and deep interaction with ADAS systems, and is currently at a leading stage of market deployment within the industry.

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- *Advanced optical design and precision manufacturing process technologies:* covering freeform optical design, ultra-thin light guide design, multi-color injection molding, high-efficiency anti-reflection coating and in-mold injection processes, ensuring top-tier optical performance and consistency in mass production.
- *High-reliability electronic control and software algorithm platforms:* including domain-level lighting controllers (HCM/RCM/LCU) and intelligent lighting software systems supporting OTA upgrades, enabling centralized vehicle-wide lighting control and customized lighting effect definition.

PRODUCTION

As of March 31, 2026, we operated three major manufacturing bases, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust manufacturing network that enables us to efficiently supply key automotive markets in Asia, Europe and the Americas. In May 2026, our Chongqing Manufacturing Base commenced trial operations, focusing on the production of front and rear lighting products to strengthen our ability to serve clients in southwestern China.

Our three manufacturing bases are located in Changzhou, Foshan and Niš, Serbia, which integrate manufacturing clusters, warehousing facilities and logistics hubs to optimize supply chain efficiency and serve nearby markets. As of March 31, 2026, our manufacturing bases were equipped with over 500 units of advanced processing equipment, of which over 300 units were injection molding machines, and were also supported by 58 advanced Surface Mount Technology (“SMT”) production lines and over 470 specialized assembly lines. In addition, we had over 1,600 industrial and collaborative robots in operation as of March 31, 2026.

In 2023, 2024 and 2025, our total production capacity was approximately 13.8 million units, 15.0 million units and 14.5 million units of front lighting products, and 18.0 million units, 20.4 million units and 20.6 million units of rear lighting products, respectively.

As of March 31, 2026, our production workforce comprised 4,657 employees, supporting the operation of our international manufacturing network. In our overseas operations, we prioritize the employment of local personnel to form our production teams, enabling us to leverage local talent pools and contribute to the economic development of the regions in which we operate. The employment of local personnel also facilitates stronger regional relationships and ensures that our workforce is familiar with local practices and cultural nuances, thereby enhancing production efficiency and workplace harmony.

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The following table sets forth certain information relating to our principal manufacturing bases as of March 31, 2026:

Manufacturing Base	Year of Commencement of Operation	Aggregate GFA (square meter)	Description
PRC			
Changzhou Manufacturing Base	2000	421,733	The headquarters cluster, comprising multiple manufacturing facilities, is capable of producing front lighting, rear lighting, other lighting and controllers.
Foshan Manufacturing Base	2015	46,171	Our Southern China manufacturing base primarily responsible for producing front lighting, rear lighting and other lighting for local customers.
Serbia			
Serbian Manufacturing Base	2022	41,547	Our first overseas manufacturing facility, primarily produces rear lighting and other lighting.

The following table sets forth the production capacity and production volume by manufacturing base for the years/period indicated:

Manufacturing Base	Year ended December 31,									Three months ended March 31,		
	2023			2024			2025			2026		
	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)
<i>(in thousand units)</i>												
PRC												
Changzhou Manufacturing Base.	24,656	22,183	PRC, Germany, Brazil	28,232	26,411	PRC, Germany, Brazil	27,113	24,757	PRC, Germany, Brazil	6,778	4,875	PRC, Germany, Brazil
Foshan Manufacturing Base	4,504	3,638	PRC	4,553	3,541	PRC	5,258	4,291	PRC	1,315	718	PRC
Serbia												
Serbian Manufacturing Base	2,663	299	Czech Republic, Germany, Spain	2,663	1,259	Czech Republic, Germany, Spain	2,663	1,699	Czech Republic, Germany, Spain	666	475	Czech Republic, Germany, Spain

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The following table sets forth the production capacity and production volume by major product category for the years/period indicated:

Year ended December 31,										Three months ended March 31,		
2023			2024			2025			2026			
Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	
(in thousand units, except for percentages)												
PRC												
Front lighting	13,807	11,051	80.0%	15,003	12,948	86.3%	14,471	12,618	87.2%	3,618	2,520	69.7%
Rear lighting	15,354	14,769	96.2%	17,782	17,004	95.6%	17,900	16,430	91.8%	4,475	3,072	68.6%
Serbia												
Rear lighting	2,663	299	11.2%	2,663	1,259	47.3%	2,663	1,699	63.8%	666	475	71.3%

Notes:

- (1) Our production capacity for each year is calculated based on 300 working days, 24 daily working hours and production pace. Our production capacity for the three months ended March 31, 2026 is calculated based on 75 working days, 24 daily working hours and production pace. Working hours already account for the time required for maintenance, mold changes and equipment adjustments. The production pace is determined by process bottlenecks. For example, for headlamps and rear lamps, the injection molding capacity of the lens serves as the benchmark. Factors such as production cycle time and qualification rates are calculated according to the company’s standardized production efficiency targets.
- (2) Our capacity utilization rate for each year/period is calculated by dividing actual output by production capacity.
- (3) Our production volume in the PRC decreased slightly in 2025, primarily due to a temporary reduction in customer orders during automotive product line iterations.
- (4) The decrease in utilization rate during the three months ended March 31, 2026 was primarily attributable to seasonal factors. The first calendar quarter is typically the weakest period for automotive sales in China due to fewer effective production and sales days during the Chinese New Year holiday. In addition, automotive manufacturers generally concentrate promotional campaigns and sales incentives in the fourth calendar quarter to achieve their annual sales targets. As production volumes of automotive components generally fluctuate in line with vehicle production and sales, our production volume and corresponding utilization rate declined during the period.

During the Track Record Period and up to the Latest Practicable Date, we have continuously upgraded our existing production facilities to address growing demand and the evolving specifications and requirements of automotive lighting systems and related optoelectronic components. Key initiatives include enhancing the automation and digitalization levels of our core domestic facilities, while optimizing production processes through in-house tooling development, flexible production lines and AI-driven quality control systems.

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We are in the process of establishing new manufacturing facilities at strategic locations to support localized supply chains and shorten delivery cycles for global automotive manufacturer customers. We are accelerating the intelligent automotive and vision systems industrial center project, conducting trial operations of our Chongqing Manufacturing Base, and proceeding with Phase II expansion of the Serbian Manufacturing Base to enable full-category lighting production for European automotive manufacturers. Our intelligent automotive and vision systems industrial center is designed to focus primarily on the production of our intelligent automotive lighting products and will be equipped with a higher level of digitalization and intelligent manufacturing than the rest of our manufacturing bases. It forms part of our Changzhou Manufacturing Base. See “Future Plans and [REDACTED].”

Project	Status	Planned Production Capacity	Size	Supplying Regions	Location
Intelligent Automotive and Vision Systems Industrial Center	<ul style="list-style-type: none"> Construction works have commenced; Phase I is expected to commence production in the first half of 2027. 	Phase I capacity: approximately 4.1 million front lighting products and 5.5 million rear lighting products per year.	266,132 m ²	Domestic regions in China (excluding South China)	Changzhou, China
Chongqing Manufacturing Base	<ul style="list-style-type: none"> Trial operations commenced in May 2026. 	Approximately 3.0 million lighting units per year, including 1.5 million front lighting products and 1.5 million rear lighting products per year.	27,803 m ²	Primarily Southwest China	Chongqing, China
Serbia Manufacturing Base Phase II	<ul style="list-style-type: none"> Land acquisition is complete, and the plant is currently in planning and design stages; production is expected to start in 2028. 	Preliminary planned capacity of approximately 6.0 million lighting units (subject to finalization); capacity mix among different lighting products is under evaluation	34,000 m ²	Primarily European countries	Palilula, Serbia

Production Process

All of our manufacturing facilities adhere to established production standards and procedures, ensuring consistency, quality and efficiency across our operations.

Production Standardization

We strive to achieve a high degree of standardization to ensure stable output, reliable quality and enhanced production efficiency. All of our manufacturing facilities strictly implement uniform process standards and operating procedures, ensuring consistency in product quality, uniformity and production efficiency across our operations. Through this standardized framework, we are able to rapidly introduce new products without large-scale production line modifications or heavy capital investment, significantly shortening the capacity ramp-up cycle for new vehicle programs and flexibly responding to diverse market and customer requirements, while continuously expanding our product portfolio and maintaining operational efficiency and cost advantages.

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Given the high degree of similarity among the basic structure of key components, production lines can switch between different customized products with only limited tooling or program adjustments, substantially reducing changeover time. This is particularly important during rapid vehicle model iterations or product phase-outs, enabling smooth production line transitions with minimal downtime or large-scale modifications, thereby optimizing equipment utilization and mitigating risks arising from market fluctuations. At the same time, standardization facilitates the extensive application of automation equipment, allowing robots, vision inspection systems and automated assembly systems to operate stably and efficiently with reduced manual intervention. We embed the concept of “design for automated production” at the product design stage, adhere to Design for Manufacturing/Design for Assembly (“**DFM/dfa**”) principles, and continuously optimize production line layouts and process equipment to meet the technical requirements of high-level automated manufacturing.

Production Automation

According to Frost & Sullivan, we have established a first-tier intelligent manufacturing systems in China’s automotive lighting industry, characterized by high degree of automation, end-to-end digitalization and deep integration with Internet of Things (IoT) technologies. This system has achieved advanced levels of efficiency, consistency, and quality, and is capable of rapidly responding to the diversified and high-frequency model change requirements typical of the new energy vehicle era.

We extensively deploy automated production lines and industrial and collaborative robots across our manufacturing processes to undertake operations that are highly repetitive, require high precision, or involve demanding operating environments (such as multi-color injection molding, automated adhesive dispensing and spray painting, laser welding, friction welding and vacuum coating), significantly reducing human error and ensuring product consistency.

Production standardization, combined with automation, has substantially simplified our quality control processes through: (i) Intelligent inspection of critical processes; (ii) Application of automated production lines; (iii) End-to-end IoT monitoring; (iv) System integration and data connectivity; (v) Logistics and warehousing automation; (vi) Intelligent scheduling and resource optimization; and (vii) Implementation of industrial AI scenarios.

The above systems and equipment have obtained authoritative recognitions, including designation as an Intelligent Manufacturing Demonstration Factory by the MIIT, National-Level Excellent Intelligent Manufacturing Scenarios, an AAA-rated Excellent Enterprise under the Integrated Informatization and Industrialization Management System, and CMMM (Level 4) Certificate.

Warehousing

As of March 31, 2026, we had fully deployed automated warehousing systems across our major domestic manufacturing bases, with key components including: (1) multi-level high-bay racking systems combined with unmanned overhead rail logistics systems, and (2) AGV (automated guided vehicles) and stacker cranes, enabling fully unmanned inbound and outbound operations.

We strictly implement the first-in, first-out (FIFO) principle, with the system automatically managing inventory by batch to ensure 100% traceability of raw materials and finished products.

We have deeply integrated the WMS warehouse management system with the MES manufacturing execution system to achieve end-to-end coordinated material control from planning to execution.

Additionally, BI dashboards and digital visualization panels display key indicators in real time, including order fulfillment rates, excess inventory and slow-moving materials, which supports rapid procurement and production scheduling decisions.

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Production Equipment and Machinery

In addition to procuring equipment and machinery from third-party suppliers, we also possess the capability to independently develop equipment, source components, and carry out in-house fabrication and assembly of such equipment.

The details of our equipment and machinery involved in the production process are set out below:

Equipment and machinery	Functions
Injection molding systems	Primary forming equipment used to manufacture plastic components of specific shapes from thermoplastic pellets using molding tools.
Hard-coating/anti-fog paint spraying systems	Automated industrial systems integrating precision spraying, chemical curing and functional coating technologies.
Vacuum aluminum coating surface treatment equipment	Specialized equipment that creates a vacuum environment within a sealed chamber and deposits an ultra-thin aluminum film onto plastic injection-molded substrates through physical vapor deposition (PVD), forming a mirror-like surface and enhancing reflectivity.
Laser engraving equipment	Equipment that uses high-energy laser beams to permanently engrave patterns or markings on bezels, meeting customers’ customized styling requirements.
Industrial and collaborative Robots	Industrial and collaborative robots enable end-to-end automation in automotive lighting manufacturing and are core equipment for enhancing production capacity and product quality.
Automated Assembly Equipment . .	Automated lighting assembly lines are built around the concept of “precision coordination and closed-loop end-to-end processes”, covering the full process from component feeding to finished product outbound.

We conduct thorough and timely maintenance of our production facilities. Each major piece of production equipment or machinery is subject to regular inspection, servicing and maintenance in accordance with a predetermined schedule. We have established, and will continue to update, internal maintenance procedures tailored to the specific characteristics and requirements of our production equipment or machinery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any prolonged suspension of production processes or material disruptions to our business operations as a result of equipment or machinery failure or damage.

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Artificial Intelligence

We have introduced artificial intelligence technologies to enhance production efficiency, product quality control and internal management capabilities. Our principal application areas include (i) precision inspection of electronic connector installation; (ii) monitoring compliance with inspection procedures; (iii) predictive maintenance of equipment; (iv) intelligent assistance for lamp styling design; (v) intelligent support for quality management system reporting; and (vi) intelligent optimization of enterprise service desks.

RAW MATERIALS AND SUPPLIERS

Raw Materials and Procurement

Our principal raw materials include electronic components (such as LEDs, chips, PCBs, capacitors and resistors), automotive lighting electronic components (such as wiring harnesses), and resin materials (such as PC, PMMA and PP). In 2023, 2024, 2025 and the three months period ended March 31, 2026, our costs of raw materials and consumables amounted to RMB6.6 billion, RMB8.9 billion, RMB10.3 billion and RMB2.3 billion, respectively, representing 81.3%, 83.0%, 84.3% and 83.5% of our total cost of sales for the corresponding years/periods. As our procurement of raw materials from suppliers is highly correlated with and subject to fluctuations in international commodity prices, including crude oil and semiconductor silicon wafers/non-ferrous metals, we have implemented comprehensive risk management strategies to mitigate the impact of such volatility.

Our supply chain management covers the entire process from demand planning to delivery. The supply chain management department conducts inquiries, bidding and price verification through the Supplier Relationship Management (“SRM”) system, and selects suppliers by comprehensively considering factors such as price, quality and delivery timelines. We initiate periodic price negotiations for confirmed raw materials, determining reasonable prices with suppliers based on comprehensive market research and competitive bidding processes. For the development of new materials, we similarly carry out new supplier development through the SRM system, covering the full process from internal review and potential supplier assessment, system onboarding and qualification review, to new project bidding, development and mass production. Our suppliers onboarding is required to comply with the above procedures, enabling us to flexibly activate alternative materials or switch suppliers in the event of severe shortages or significant price volatility of specific raw materials.

To manage the risks associated with raw material price fluctuations, we regularly review raw material prices, benchmark them against commodity trends and market conditions and make timely adjustments. We determine production volumes based on sales volumes and use these to cover procurement requirements for our major raw materials. Procurement plans are synchronized to suppliers through the SRM system, and suppliers execute deliveries accordingly. In addition, based on inventory structure, future sales expectations and market trends, we proactively adjust safety stock levels to ensure the stability and resilience of our supply chain operations. We also collaborate with our technical teams to identify alternative materials and optimise product design, including promoting localisation of raw materials and introducing qualified second-source suppliers. We maintain ongoing commercial negotiations with suppliers to stabilise procurement costs, including arrangements such as advance price locking and periodic pricing mechanisms, and leverage centralised procurement to enhance our bargaining power. In addition, we work closely with suppliers to optimise production processes and improve cost efficiency. We also maintain communication with customers to provide early warning of significant raw material price fluctuations and, where appropriate, facilitate price adjustment discussions.

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Our Suppliers

We have established stringent supplier selection, evaluation and management procedures to ensure that all suppliers meet our quality and performance standards. In selecting suppliers, we assess factors including their professional qualifications, financial condition, operating performance, industry reputation, ESG commitments and others. We also conduct regular performance evaluations of our suppliers, with a particular focus on criteria such as raw material quality, delivery performance, cost competitiveness, and, where applicable, the technical specifications of the products supplied.

Agreements with Suppliers

We typically procure raw materials from suppliers under non-exclusive supply arrangements. We actively implement supplier management policies, including maintaining two or more suppliers, securing inventory in advance and maintaining alternative suppliers, to ensure a stable supply of raw materials. We also identify potential suitable suppliers through tendering and bidding processes to ensure competitive procurement pricing and quality. We have established long-term cooperative relationships with suppliers that have sufficient raw material supply capacity and reliable supply channels.

We typically enter into framework supply agreements and periodic purchase orders with suppliers. The salient terms of our framework agreements are set out below:

- **Duration.** Typically two years, with periodic price lists to be agreed separately.
- **Product specification.** We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.
- **Payment and credit term.** Payment terms and credit periods are generally specified separately in each purchase order, typically ranging from 30 to 90 days.
- **Logistics.** We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.
- **Quality guarantee.** Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement.
- **Return and replacement.** Products that fail inspection upon receipt or are subsequently found to be defective during production may be returned or replaced. For isolated defects, suppliers are generally required to replace the defective products. For batch quality issues, suppliers are required to verify the defects, accept the return of the affected products and bear the associated losses. Suppliers are typically required to collect returned products within a prescribed period following notification, failing which the products may be disposed of and the related costs borne by the supplier.
- **Termination.** The agreements can generally be terminated by notice by both parties, or when one party breaches the agreement.

Major Suppliers

During the Track Record Period, our principal suppliers primarily consisted of raw material and component suppliers. In 2023, 2024, 2025 and three months ended March 31, 2026, the aggregate purchases from our five largest suppliers in each year/period accounted for approximately 22.5%, 23.4%, 25.0% and 24.6% of our total purchases, respectively, while purchases from our largest supplier accounted for approximately 9.6%, 7.8%, 8.6% and 8.4% of our total purchases, respectively.

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We diversify our supplier base by engaging multiple suppliers for the same products or services and implementing strategic sourcing practices. In addition, we regularly conduct market analysis, develop supplier relationships, and formulate contingency plans to enhance supply chain resilience.

All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates, or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

The Directors confirm that we did not experience any material shortage of supply, raw material quality issue, disruptions, disputes, or delays in relation to the supply of suppliers, or any material breach or early termination of our contractual arrangements with suppliers during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

We consistently adhere to a customer-oriented direct sales model, which enables us to more accurately forecast and meet customer demand and to provide our customers with comprehensive and attentive service. During the Track Record Period, all of our revenue was generated from direct sales. As of March 31, 2026, we had established an extensive sales and marketing network covering 24 offices, with operations spanning Asia, Europe and Americas. Outside the PRC, our products are primarily sold to countries and regions including the Czech Republic, Japan, Germany, Spain and Brazil. Currently, our overseas sales are primarily focused on rear lighting and other lighting. In line with our corporate strategy, we will continue to expand our offerings in front lighting and related electronic products.

Our relationships with customers are built on an end-to-end collaborative process, covering the stages from pre-nomination engagement, design and development, mass production to after-sales services. Prior to nomination, we actively pursue opportunities through market intelligence gathering, technical demonstrations, project assessments, and styling co-creation, and ultimately obtain projects through the request for quotation process. Following the project nomination, we establish cross-functional project teams to work closely with customers throughout the entire development cycle, covering styling design, optical/structural/electronic development, tooling fabrication, prototype production, testing and validation, and PPAP, which typically spans 12 to 30 months. Through a unified digital system, we ensure that lighting products comprehensively address customers’ individualized requirements in terms of functionality, performance, cost and delivery. Upon entering the mass production phase, we form specialized teams comprising members from market, production and logistics departments to directly interface with clients, providing products for customized production in bulk. After-sales service is ensured by a project team led by the market department, which offers continuous technical and service support.

We maintain close and ongoing communication with our customers to gain a deep understanding of their practical needs and market dynamics. Leveraging our keen insights into international markets and customer trends, we are able to accurately position product directions, engage in strategic cooperation with customers, jointly advance new product development, promptly resolve technical challenges arising during production, and deliver high-quality after-sales services. At the same time, we place strong emphasis on collecting direct customer feedback and continuously optimizing our business processes and operating systems. We are committed to delivering an exceptional end-to-end service experience to customers worldwide, while continuously enhancing our industry influence and brand reputation.

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Our International Footprint

Our overseas markets are critical to our business development. We have been engaged in export sales since 2005, marking the beginning of our continuous internationalization journey. By establishing overseas subsidiaries, offices, manufacturing facilities, logistics centers and R&D centers, we have gradually developed into one of the major manufacturers of automotive lighting products in the world. Today, we have established a comprehensive international network that integrates R&D, manufacturing and sales. We will continue to actively expand our footprint to pursue new business opportunities.

Our Customers

Our customers primarily include automotive manufacturers, which manufacture both NEV and internal combustion engine vehicle (“ICE”) models. The table below sets forth a breakdown of our revenue by NEV and ICE vehicle models during the Track Record Period, both in absolute amounts and as a percentage of the combined total for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	(unaudited)									
NEV models	1,685,065	16.4	4,620,663	34.9	7,035,157	46.1	1,217,977	39.4	1,711,961	49.9
ICE vehicle models . . .	8,563,381	83.6	8,632,271	65.1	8,221,509	53.9	1,876,533	60.6	1,717,913	50.1
Total	10,248,446	100.0	13,252,934	100.0	15,256,666	100.0	3,094,510	100.0	3,429,874	100.0

During the Track Record Period, we experienced an increasing contribution of revenue from NEV models, while revenue generated from ICE vehicle models remained relatively stable but declined as a percentage of our total revenue. We believe this trend was primarily driven by the rapid growth of the NEV market in China, increasing demand from NEV manufacturer customers for intelligent and differentiated automotive lighting solutions, as well as our continued expansion in the NEV segment.

In 2023, 2024, 2025 and the three months ended March 31, 2026, our five largest customers in each year/period accounted for approximately 68.2%, 69.5%, 64.7% and 58.6% of our total revenue, respectively, while sales to our largest customer accounted for approximately 36.6%, 23.3%, 19.5% and 17.2% of our total revenue, respectively. Our principal settlement methods include bank acceptance bills and bank transfers.

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The tables below set forth the basic information of our top five customers in each year/period during the Track Record Period:

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	For the three months ended March 31, 2026	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	(%)
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	590,326.2	17.2
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group	PRC	Front lighting, rear lighting, controllers	30-60 days	554,093.2	16.2
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, other lighting, controllers	60 days	351,999.0	10.3
Customer H. . . .	6 years	A leading Chinese automaker operating a multi-brand portfolio covering both NEV and ICE vehicle models.	PRC	Front lighting, rear lighting, controllers	60 days	303,701.6	8.9
Customer E. . . .	5 years	A globally leading electric vehicle and clean energy company, whose core businesses include the design, manufacture, and sale of electric vehicles, energy storage systems, and solar energy products, and listed on the Nasdaq Global Select Market.	USA	Rear lighting, other lighting	90 days	210,539.8	6.1

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Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year Ended December 31, 2025	
						Transaction amount (RMB in thousands)	Percentage to total revenue (%)
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	2,970,693	19.5
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,966,328	19.4
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,647,049	17.4
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	658,102	4.3
Customer E. . . .	5 years	A globally leading electric vehicle and clean energy company, whose core businesses include the design, manufacture, and sale of electric vehicles, energy storage systems, and solar energy products, and listed on the Nasdaq Global Select Market.	USA	Rear lighting	90 days	631,883	4.1

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Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year ended December 31, 2024	
						Transaction amount (RMB in thousands)	Percentage to total revenue (%)
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	3,091,882	23.3
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,711,181	20.5
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,035,740	15.4
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	816,069	6.2
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	30 days	544,191	4.1

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Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year ended December 31, 2023	
						Transaction amount (RMB in thousands)	Percentage to total revenue (%)
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	3,752,280	36.6
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	1,539,779	15.0
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	30 days	739,409	7.2
Customer G. . . .	Over 10 years	A joint venture established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	60 days	520,836	5.1
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	436,715	4.3

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All of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, none of our customers requested to terminate their agreements with us.

Overlapping of Suppliers and Customers

Customer/ Supplier	Years/Period	Revenue (RMB'000)	Purchases (RMB'000)	Gross Profit Margin (%)
Customer A . .	2023	3,752,280	2,275	22.5
	2024	3,091,882	22,910	21.2
	2025	2,970,693	64,395	20.1
	Three months ended March 31, 2026	720,648	25,353	19.5

During the Track Record Period, Customer A was also our supplier. We primarily procured lighting controllers from Customer A for use in our automotive lighting products sold to Customer A. In accordance with Customer A's technological and procurement requirements, we purchased customer-designated controllers from Customer A and integrated them into the corresponding lighting products sold to Customer A. The procurement of these controllers was solely for the purpose of fulfilling Customer A's product specifications and did not involve any other activities.

In 2023, 2024, 2025, and the three months ended March 31, 2026, our procurement from Customer A accounted for less than 1% of our total purchases for each year/period. The average gross profit margin of products sold to Customer A is 20.8% during the Track Record Period. All procurement arrangements with Customer A were negotiated on an arm's length basis.

The Directors confirm that all sales to major customers were conducted in the ordinary and usual course of business on normal commercial terms. According to Frost & Sullivan, our procurement from and sales to customers are in line with industry practices.

Key Terms of Sales Contracts

We generally enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. Although the contract terms vary, they usually include the following key terms:

- **Duration.** Typically ranging from two to five years. Depending on the nature of our customers' business, certain contracts may be subject to automatic renewal.
- **Quality control.** The quality of our products shall be in compliance with the specific standards designated by our customers, or in compliance with applicable national, local or industry standards.
- **Price.** The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.
- **Payment terms.** We generally grant our customers a credit period of 30 to 90 days after issuance of invoices.
- **Confidentiality.** We usually set confidentiality clauses with our customers and such obligation shall continue to exist for a certain period of time after the termination of the agreement.

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- ***Delivery and transportation.*** Our delivery options include customer pick-up by logistics providers designated by customers and door-to-door delivery by third-party logistics providers appointed by us.
- ***Warranty.*** We usually set out warranty period depending on the products and the sales agreement. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge. Following the expiration of the warranty period, we provide repair and maintenance services and supply parts and components to our customers for a fee based on the services required. Our framework agreements typically do not include minimum purchase commitments. Where defective components or potential quality issues are identified, we arrange inspection and conduct on-site repair, rework or replacement within 24 hours. In urgent cases, customers may carry out repairs themselves, and the related costs will be borne by us in accordance with the relevant agreements.
- ***Termination.*** Such agreements may generally be terminated upon prior written notice in accordance with certain conditions specified therein.

After-sale Services

We believe that the availability of high-quality after-sales services is an important consideration for customers when making purchasing decisions. Our sales network serves as the primary point of contact for customers to access after-sales services, including product delivery, return and replacement of defective products, as well as training to ensure proper installation of our products and verification of applicable usage conditions. We believe effective after-sales service enhances product value across the value chain and supports customer and end-user satisfaction. Upon receiving customer complaints, our service team typically conducts on-site assessments to identify root causes and implement timely solutions to restore product operation, followed by internal analysis and design improvements to prevent recurrence. We fulfill our “Three Guarantees (三包)” obligations and maintain recall and emergency response mechanisms, standardized return procedures and flexible replacement arrangements in accordance with customer requirements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any customer returns, complaints, product recalls or product liability claims that had a material adverse impact on our reputation, operations or financial condition. We also provide regular training and performance assessments for sales personnel, implement digital traceability systems for end-to-end tracking of production and after-sales activities, and conduct customer satisfaction surveys to collect feedback and support ongoing product improvement and future collaboration opportunities.

Pricing

We take into account various factors when determining the price of our products, including customers’ specific requirements, production costs, R&D investment, market scarcity of the products, degree of technological differentiation, supply chain conditions, procurement strategies and the competitive environment in the relevant sales regions (including overall market dynamics and competitors’ pricing levels). Pricing is agreed with customers based on vehicle class and product category.

Marketing

We enhance our corporate visibility and brand recognition through participation in domestic and international automotive exhibitions, industry conferences and regulatory meetings, as well as through regular customer demonstrations and online and offline engagement. These initiatives allow us to present our capabilities in technology, quality, delivery and cost control. We adopt a “customer-centric” approach by engaging with customers at an early stage of pre-R&D projects through joint teams to provide integrated solutions and strengthen long-term cooperation. We also adopt targeted communication

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strategies for customers across different market segments, leverage exhibition platforms to promote our latest products and technologies, and utilize corporate museums and product showrooms to facilitate deeper technical exchanges and enhance customers’ understanding of our [REDACTED].

QUALITY CONTROL

To enhance our overall quality management standards, we have vigorously promoted and implemented quality management systems, primarily including IATF 16949 quality management systems, the automotive cybersecurity management system (ISO/SAE 21434), the functional safety system (ISO 26262) and Automotive SPICE, in order to deliver compliant products and services, satisfy customer and statutory and regulatory requirements, fulfill customer needs and expectations, thereby strengthening our competitiveness and improving overall operating performance.

In addition, we have prepared a quality manual (the “**Quality Manual**”), which sets out procedures and policies covering, among others, packaging management, control of non-conforming products, inventory management and product delivery control. We strictly adhere to the Quality Manual and, based on this, issue annual quality policies. Pursuant to these policies, each department formulates its quality improvement strategies and objectives. The quality management department tracks the implementation of such quality objectives in real time, evaluates progress and takes corresponding actions. At the same time, we have built a five-layer quality protection network that spans the entire product lifecycle, including (i) quality pre-control in design and planning phase, (ii) full cycle quality control of suppliers, (iii) full-process inspections of raw materials & components, (iv) precise quality monitoring in production and (v) post-sales quality review & continuous optimization.

Our quality policy aims to ensure continuous improvement and compliance with internal and customer standards. We designate personnel to dynamically track these objectives, investigate the causes of improvements and deteriorations and take necessary measures. We also regularly convene quality review meetings and defect reporting meetings to conduct retrospective analyses of major quality issues and prevent their occurrence or recurrence.

WAREHOUSING AND LOGISTICS

We are committed to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance inventory efficiency. We continuously refine and standardize warehousing and distribution systems across our self-operated warehouses located in different regions, while also effectively managing third-party logistics providers. As of the Latest Practicable Date, we operated four self-operated warehouses in the PRC and one self-operated warehouse in Serbia. In addition, we utilized 32 third-party warehouses in the PRC and one third-party warehouse in Slovenia. These warehouses are strategically located in proximity to customers to enhance service delivery and better meet customer requirements.

The principal terms of our agreements with third-party warehousing and logistics service providers are summarized as follows:

- *Term.* Typically one year.
- *Principal rights and obligations.* Generally, third-party warehousing service providers are responsible for warehousing services, including sorting, inbound handling, storage and outbound dispatch of goods in accordance with our instructions. Our third-party logistics service providers are generally responsible for arranging transportation in accordance with our dispatch requirements, ensuring the safe, timely and complete delivery of goods, providing tracking and on-site handover services, and completing system integration, receipt confirmation and settlement as required. We are generally responsible for product packaging and designate personnel to handle reconciliation, payment and coordination with such providers.

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- *Payment.* Typically settled on a monthly basis.
- *Quality.* Third-party warehousing service providers are required to ensure proper warehouse management and comply with our prescribed warehouse management rules and evaluation standards. Third-party logistics providers are required to ensure compliant operations and driver management, maintaining vehicle safety and readiness, adhering to on-site loading and warehouse rules, properly securing and handling goods during transportation, and ensuring safe, timely and damage-free delivery in accordance with our requirements.
- *Termination.* We generally reserve the right to unilaterally terminate such agreements by giving one month’s prior notice, depending on operational needs.

We utilize a transportation management system (TMS) that standardizes online operations from order placement to product delivery, facilitating seamless coordination from manufacturing facilities to customers. The TMS enables us to shorten supply chain cycles, reduce finished goods inventory and improve inventory turnover, while achieving information sharing and transparency among the Company, carriers and customers.

We have fully deployed and deeply integrated Warehouse Management System (“WMS”) to standardize warehouse operations and enhance the accuracy, traceability and responsiveness of inventory management. The integration of Internet of Things (IoT) and other intelligent technologies (such as automated storage and retrieval systems) contributes to the development of smart logistics parks, thereby improving logistics efficiency and service quality.

We have also adopted a centralized bidding model to engage high-quality transportation service providers, supplemented by comprehensive management and performance indicator systems to ensure service quality. Through continuous improvement initiatives, we consistently enhance delivery timeliness and accuracy, improve customer satisfaction and control costs. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material delays or mishandling of goods that had a material adverse impact on our business operations, nor were we involved in any material disputes with our warehousing or logistics service providers.

INVENTORY MANAGEMENT

Our supply chain management is well-coordinated, with the objective of achieving synergies and optimal resource allocation across various processes, including order placement, procurement management, product manufacturing and transportation. We manage and maintain adequate inventory levels to support production. Our procurement strategies are formulated based on analyses of forecasted supply, market conditions, and anticipated fluctuations in procurement volumes and purchase prices. Based on such analyses, we set different reasonable and safe inventory levels for different categories of inventory to respond to changes in customer demand and fluctuations in raw material prices.

Our management places strong emphasis on inventory management and holds quarterly meetings to review inventory management issues encountered, propose improvement plans and objectives, and reassess such plans and objectives at subsequent quarterly meetings. In addition, we have established strict rules and standards for inventory management workflows, including (i) inventory arrangement and placement, (ii) environmental and safety requirements, (iii) storage, (iv) outbound handling, (v) handling of non-conforming products, (vi) storage and inspection, (vii) inventory administration and (viii) transfer procedures. We further achieve digitalization and standardization of inventory management through the integration of Enterprise Resource Planning (“ERP”), MES and WMS systems, thereby improving the efficiency and accuracy of our inventory management processes.

Our inventory turnover days for 2023, 2024, 2025 and the three months ended March 31, 2026 were 101 days, 82 days, 76 days, 80 days respectively.

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INFORMATION TECHNOLOGY

With the objective of achieving end-to-end digital integration across the entire value chain and intelligent operations, we continue to advance our digital transformation, focusing on two principal directions: “end-to-end value chain business process optimization” and “digital benchmark factory development.”

In terms of business processes, we promote the digitalization of R&D, operations and decision-making, and have established professional application and decision-support systems, including PLM, ERP, Customer Relationship Management (“CRM”), SRM, Laboratory Information Management System (“LIMS”), Intelligent Security System (“ISS”) and BI.

In the area of factory digitalization, with MOM as the core, we have built a comprehensive digital manufacturing system encompassing MES, WMS, Quality Management System (“QMS”), Equipment Digital Operation (“EDO”), Energy Management System (“EMS”) and Supervisory Control and Data Acquisition (“SCADA”). We actively explore the significant value of AI tools in manufacturing scenarios, continue to invest in such initiatives and have achieved a series of tangible results, promoting the application of AI across multiple areas, including operational efficiency enhancement, product visual inspection and compliance review.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any information technology system failures or outages that had a material adverse impact on our business operations.

SEASONALITY

Our operating results are subject to seasonal fluctuations during reporting years, primarily due to the seasonal concentration of sales of our downstream automotive manufacturer customers. As a result, our production and sales volumes have historically recorded moderate increases in the fourth quarter of each calendar year. This is generally in line with industry practices, as automotive manufacturers typically seek to achieve annual sales and delivery targets before year-end under calendar-year reporting cycles and may accelerate production scheduling, logistics arrangements and dealer inventory replenishment during this period. In addition, promotional activities and sales incentives are often concentrated towards year-end.

Consumer purchasing patterns may also contribute to this trend. In China, vehicle buyers often prefer to complete purchases and take delivery prior to the Chinese New Year holiday. Furthermore, fleet procurement by corporate and government customers is commonly aligned with annual budget cycles. As a result, demand for automotive components, including our products, may be relatively higher in the fourth quarter.

See “Risk Factors — Risks Relating to Our Business and Industry — Our results of operations were and may continue to be subject to period-to-period fluctuations.”

INTELLECTUAL PROPERTY

We rely on proprietary technologies and manufacturing know-how to maintain our competitive position and generate intellectual property through ongoing R&D activities. It is our general policy to file patent applications in the PRC and other relevant jurisdictions for commercially significant development projects. Our intellectual property is primarily protected through patents, trademarks, trade secrets and other legal protections, covering proprietary technologies, product design and manufacturing processes. As of March 31, 2026, we held a global intellectual property portfolio comprising more than 2,800 patents, spanning key areas such as optical systems, mechanical structures, perception fusion, intelligent driving, automotive electronics and intelligent equipment. Our PRC portfolio included over 490 invention patents, 240 design patents and over 2,000 utility model patents. We also held more than 20 overseas patents, mainly invention patents, in jurisdictions including Germany, Japan and Serbia. As of the same date, we had filed over 4,400 patent applications in the PRC, over 70 overseas patent applications and over 40 active PCT applications.

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As of March 31, 2026, including our brands  and , we held 51 registered trademarks in the PRC and two registered trademarks overseas.

We have adopted a series of internal control policies and measures to protect our intellectual property and trade secrets. We actively apply for patents for technology innovations and safeguard our legitimate rights through patent protection. At the same time, our intellectual property team proactively takes reasonable measures to identify potential infringements of our intellectual property rights. Upon discovering any potential patent infringement by competitors, we conduct comprehensive analyses and comparisons of the competing products. Where infringement is confirmed, we generally take timely legal action, collect evidence and initiate relevant proceedings, demonstrating our proactive commitment to protecting our intellectual property and maintaining our competitive position. We rely on confidentiality agreements to protect our interests in non-patented proprietary technologies and manufacturing processes that are difficult to patent. All contracts entered into with our employees, suppliers and other strategic partners are subject to review and approval by our internal legal team to ensure that they contain adequate protective provisions against unauthorized disclosure.

To the best of our knowledge, information and belief, during the Track Record Period and up to the Latest Practicable Date, our intellectual property had not been subject to any material intellectual property claims by third parties, and we had not been involved in any material legal proceedings, disputes or claims alleging infringement of any intellectual property rights.

DATA PRIVACY AND SECURITY

PRC

During the Track Record Period and up to the Latest Practicable Date, (i) we have obtained information regarding our corporate customers, such as their name, address and contact details, and operational data in relation to our products, subject to the authorization of our customers; (ii) we have not obtained, collected, stored, and/or own any personal data except the necessary data collected from our employees during our operations; and (iii) our cross-border data transfer is limited to product information directly related to our operations across different office locations. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material information security incidents, data breaches or leakages.

We have formulated and implemented comprehensive internal policies on protecting data privacy and security to ensure data and information security and ensure compliance with all applicable PRC laws and regulations. Our internal control measures mainly include: (i) formulating detailed rules, policies and procedures governing the management, retention and periodic destruction of data and electronic documents, as well as the use of computer equipment; (ii) establishing a data security management structure covering data management, data audit, data security implementation and other relevant aspects; (iii) assigning system access rights to employees based on their individual job responsibilities and business needs, in strict compliance with the principle of least privilege; (iv) implementing data classification and tiered protection measures, maintaining a corresponding management list, and conducting regular reviews and updates of such list based on business development and data usage scenarios; (v) providing training to employees on information security rules and regulations.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied in all material respects with the applicable PRC laws and regulations in relation to data privacy and security. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

BUSINESS

Serbia

During the Track Record Period, (i) we processed personal data primarily in the context of our employment relationships and site security measures, including basic employee identification data, access records and video surveillance data, and, in limited cases, biometric data for access control purposes; (ii) we did not engage in any material processing of customer personal data in connection with our core business operations; (iii) we did not transfer any personal data outside the Republic of Serbia; and (iv) we were involved in cross-border transfers of operational data, which do not constitute personal data and are therefore not subject to data protection regulations in the Republic of Serbia. During the Track Record Period and up to the Latest Practicable Date, our Directors are of the view, and our Serbian Legal Advisor has confirmed, that (i) we had not received any data subject requests, regulatory inquiries or communications from the Commissioner for Information of Public Importance and Personal Data Protection; (ii) we had not experienced any material information security incidents, data breaches or leakages; and (iii) we had not been subject to any material administrative, regulatory or judicial proceeding, claim, penalty or enforcement action relating to data protection.

Our Serbian Legal Advisor has confirmed that employees' personal data was adequately protected during the Track Record Period and up to the Latest Practicable Date and that it was not made available or disclosed to third parties, except where required by law or necessary to fulfill our legal and business obligations. Employees' personal data was processed exclusively for legally permitted business purposes, including the management of the employment relationship.

Our Directors are of the view that we have adopted adequate and effective internal policies and procedures relating to personal data protection prescribed by the Law on the Protection of Personal Data of Serbia, including the appointment of a data protection officer and the preparation of relevant documentation such as a personal data protection rulebook and data protection impact assessment. Our internal control measures include assigning access rights based on job responsibilities, implementing access control and security measures for sensitive areas, and conducting internal reviews of data processing activities.

Our Directors are of the view, and our Serbian Legal Advisor has confirmed, that save for the compliance deficiencies described below, we had complied in all material respects with the applicable data privacy and data protection laws and regulations of Serbia during the Track Record Period and up to the Latest Practicable Date. Our Serbian Legal Advisor advised that we hadn't not provided sufficient supporting evidence demonstrating that certain data protection documents and procedures had been duly adopted. As a result, we may not have fully complied with certain procedural requirements under the applicable Serbian data protection laws and regulations.

On June 4, 2026, we addressed these deficiencies by adopting and implementing updated data protection documentation, including a personal data protection rulebook, the appointment of a data protection officer, a data protection impact assessment and a notice on the processing of personal data. Our Directors believe, and our Serbian Legal Advisor has confirmed, that following the implementation of the above remedial measures, the Group is expected to be in full compliance with the applicable data privacy and data protection laws and regulations of Serbia.

BUSINESS

EXPORT CONTROLS, SANCTIONS AND TARIFFS

During the Track Record Period, our products were manufactured in China and Serbia. Our sales did not involve sanctioned countries or entities subject to blocking sanctions under the U.S. Department of the Treasury’s Office of Foreign Assets Control. In addition, based on the analysis under the De Minimis Rule and the Foreign Direct Product Rule of the U.S. Export Administration Regulations (the “EAR”), none of our self-manufactured products are subject to the EAR. Although we conducted a sample transaction with a China-based company subject to Entity List restrictions under the Entity List Affiliates Rules maintained by Bureau of Industry and Security, this sample transaction did not constitute a violation of the EAR, as such items were not subject to EAR and occurred prior to the effective date of the Entity List Affiliates Rules. Accordingly, our sales activities are in compliance with applicable U.S. export control laws.

Additionally, we sourced certain U.S.-branded analog chips for application in vehicle lighting products and lighting controllers and U.S.-branded software through domestic agents, which were not subject to license requirements under U.S. export control laws. We also had dealings with five suppliers designated on the Entity List or subject to Entity List restrictions, which did not constitute a violation of the EAR as the EAR does not restrict procurement from Entity List entities. Therefore, our procurement activities are also in compliance with applicable U.S. export control laws.

Furthermore, U.S.-China trade tensions and unfavorable tariff arrangements had a very limited impact on our business as we did not directly import any raw materials from the U.S. Although we indirectly purchased a small quantity of U.S.-branded chips from Chinese distributors, such procurement has not been materially affected by the relevant tariffs in terms of costs. In addition, our exports to the U.S. accounted for only 0.3%, 0.2%, 0.3% and 0.1% of our total revenue in 2023, 2024, 2025, and the three months ended March 31, 2026, respectively.

In this regard, our Directors confirm that our purchases of raw materials from suppliers and sales of products to customers were not subject to any restrictions arising from applicable export controls, sanctions and tariffs during the Track Record Period. See “Risk Factor — Changes in regulations, international trade policies, tariffs and rising political tensions, may adversely impact our business and operating results.”

COMPETITION

We mainly operate in the automotive lighting industry, which is relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the global market has continued to consolidate. Leading automotive lighting manufacturers have continuously strengthened their dominant positions through technological advancement, superior product quality and cost efficiency. In contrast, smaller component manufacturers, due to limited technological reserves, smaller production scale, and relatively weaker supply chain integration capabilities, may face challenges in competing with leading manufacturers.

According to Frost & Sullivan, the number of global above-scale automotive lighting enterprises was approximately 780 in 2025, while the number of such enterprises in the PRC was approximately 195. With the development of the industry, the total number of industry players has been declining year by year and the industry concentration has been continuously increasing.

See “Industry Overview — Overview of the Automotive Lighting Industry — Competitive Landscape of the Automotive Lighting Industry — Ranking of Automotive Lighting Suppliers” and “Risk Factors — Risks Relating to Our Business and Industry — We operate in a relatively competitive industry, and we may be unable to continually maintain our market position.”

BUSINESS

Our competitive edge is attributable to factors such as extensive industry experience, strong market position and our ability to offer comprehensive solutions to our customers. Our market leadership has been further solidified by our international presence, diverse product portfolio, high-quality customer relations, robust R&D capabilities, technical expertise and our visionary management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the automotive lighting industry.

EMPLOYEES

As of March 31, 2026, we had a total of 7,501 full-time employees, of whom 6,959 were based in the PRC, and 542 were based overseas, primarily in Serbia, Germany and Japan. The table below sets forth a breakdown of our employees by function as of the same date:

Business Function	As of March 31, 2026	
	Number of Employees	Percent (%)
Production	4,657	62.1%
R&D	2,128	28.4%
Sales	162	2.2%
Service	100	1.3%
Management	454	6.0%
Total	7,501	100.0%

We adopt a people-oriented approach, focusing on improving employees’ working environment, realizing their personal value, enhancing their quality of life and promoting their career development, all of which form an important part of our development strategy. We regard our employees as core assets and strive to enhance morale and organizational cohesion.

We have established comprehensive labor management policies that include the timely execution of employment contracts, punctual and full payment of remuneration, provision of statutory social benefits and comprehensive leave and public holiday benefits. From an internal management perspective, we have implemented a performance appraisal system that is linked to overall business objectives, under which management personnel are evaluated. We have also established training systems in compliance with local regulations, providing both on-the-job training and encouraging employees to pursue further self-improvement during their spare time to enhance individual capabilities.

In terms of corporate culture and employee care, we are committed to fostering a healthy, positive and collaborative working environment. Through the regular organization of social and recreational activities — such as employees’ children talent competitions, Tai Chi competitions and sports events — we have effectively strengthened team cohesion. To further incentivize middle-to-senior management and key talent, the Company adopted the 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and the 2026 Employee Stock Scheme on December 2, 2024, November 20, 2025 and June 10, 2026, respectively. Details of the relevant Employee Stock Schemes are set out in “Appendix IV — Statutory and General Information — Employee Stock Schemes.”

BUSINESS

We also participate, in accordance with applicable laws, in the social security schemes of the jurisdictions in which we operate, providing employees with appropriate coverage. During the Track Record Period and up to the Latest Practicable Date, the Company’s operations remained stable, and we did not experience any strikes, protests or other material labor disputes that resulted in serious business disruption or adversely affected our corporate image. Our labor union was established in 2007 and is primarily responsible for reviewing employee welfare policies, organizing employee representative congresses and facilitating communication and coordination regarding employee management systems. At present, our labor relations are harmonious, and no related disputes have arisen. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material work stoppages, strikes or other major labor problems.

Labor Dispatch Arrangements

Additionally, as of March 31, 2026, we employed dispatched workers, who primarily provided temporary and non-core labor services during peak seasons. As of December 31 2023, 2024, 2025 and March 31, 2026, the Company had 1,682, 3,339, 2,984 and 2,015 employees, and Foshan Xingyu had 60, 168, 120 and 26 employees engaged under labor dispatch arrangements, respectively. The proportion of dispatched workers exceeded the statutory limit of 10% of the total workforce as stipulated in the Interim Provisions on Labor Dispatch (勞務派遣暫行規定) and other applicable regulations. As of February 28, 2026, Foshan Xingyu had rectified such non-compliance by reducing the number of dispatched workers engaged, and as of May 31, 2026, the proportion of dispatched employees of the Company had been reduced to below 10%.

During the Track Record Period and up to the Latest Practicable Date, we have not received any notice of rectification from, or have been imposed any administrative penalty by, the relevant authorities as a result of such arrangements. As advised by our PRC legal advisor, pursuant to the relevant PRC laws and regulations, the competent authorities may request us to rectify such arrangements within a prescribed period. If we fail to rectify within the prescribed period, we may be subject to a fine ranging from RMB5,000 to RMB10,000 for each dispatched worker in excess of the statutory ratio.

Our PRC Legal Advisor is of the view that such labor dispatch arrangements will not have a material adverse effect on our continuous operating activities, considering that: (1) based on the interviews with the competent authorities in the locations of the Company and Foshan Xingyu are situated, such authorities confirmed that: (i) the aforesaid non-compliance in relation to labor dispatch does not constitute a material violation of laws or regulations; and (ii) the competent authorities will not normally require the Company and its relevant holding subsidiaries in the PRC to mandatorily reduce the ratio of labor dispatch workers; (2) the Company and Foshan Xingyu have not been subject to any administrative penalties in respect of labor employment during the Track Record Period; (3) as of the May 31, 2026, the Company and Foshan Xingyu have implemented remedial measures and the number of dispatched workers accounted for less than 10% of the total number of the employees thereof. Based on the due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would cause them to disagree with the view above.

We have established internal control measures to prevent future occurrence of similar matter, including designating our human resources department to regularly verify the proportion of dispatched employees and conducting regular training on relevant regulations to ensure regulatory compliance. In the event that the proportion of dispatched employees approaches 10% of our total workforce at any time, we will suspend the recruitment of new dispatched hiring.

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Social Insurance and Housing Provident Funds

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in accordance with applicable local requirements. Based on the estimation of our Directors, the shortfall of our social insurance and housing provident fund contributions (including the contributions made by third-party agents) is approximately 1.4%, 1.0%, 0.8% and 0.7% of our total revenue for 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

In addition, during the Track Record Period, social insurance and housing provident fund contributions for certain of our employees were made through third-party agents and such third-party agents failed to make contributions in full. In 2023, 2024, 2025 and the three months ended March 31, 2026, the corresponding amount of social insurance contributions and housing provident fund made by such third-party agents on our behalf amounted to 5.7%, 6.1%, 7.1% and 6.5%, respectively, of our total social insurance and housing provident fund contributions for the same periods.

Pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay the outstanding amount plus a late payment surcharge at the daily rate of 0.05% within a prescribed time limit. As advised by our PRC legal advisor, if the relevant authorities consider that the social insurance contributions made by third-party agents for our employees do not strictly comply with the requirements under the relevant PRC laws and regulations, we may also be required to make supplementary contributions, pay late fees and/or be subject to penalties imposed by the relevant authorities for failing to fully discharge our obligations as an employer, or be ordered to rectify such non-compliance. As of March 31, 2026, the maximum potential late fees of our shortfall social insurance contributions during Track Record Period are estimated to be approximately 0.28% of our total revenue during Track Record Period. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance.

Pursuant to the Notice on Implementing Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》), the Notice on Steadily and Orderly Conducting Work Related to the Collection and Administration of Social Insurance Premiums (《關於穩妥有序做好社會保險費徵管有關工作的通知》) and the Circular on Issuing the Comprehensive Plan for Reducing Social Insurance Premium Rates (《關於印發〈降低社會保險費率綜合方案〉的通知》), no centralized collection of enterprises' historical social insurance contribution shall be conducted independently, and tax authorities shall not conduct inventory checks of outstanding social insurance premiums for prior years on their own initiative. See “Regulatory Overview”.

For the housing provident fund, our PRC Legal Advisor has also advised us that, in respect to the payment through third-party agents, the housing provident fund management center may order rectification within a prescribed time limit. If the rectification is not made within such time limit, a fine ranging from RMB10,000 to RMB50,000 may be imposed. Pursuant to relevant PRC laws and regulations, if the Company and the third-party agents fail to pay the full amount of housing provident fund as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

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During the Track Record Period and up to the Latest Practicable Date, we had not received any warning notice from the relevant authorities, nor were we subject to any administrative penalties or other disciplinary actions, and none of our employees had made or brought any collective complaints or whistleblowing reports relating to the contributions of social insurance and housing provident funds.

As advised by our PRC legal advisor, assuming there are no material changes in the applicable policies, laws and regulations and local enforcement requirements relating to social insurance and housing provident fund contributions, and there are no employee collective complaints or reports, the risk of us being subject to centralized collection of contributions payment or material administrative penalties in respect of above matters is relatively low.

In view of the above, considering (i) the nature and reasons for such non-compliances, (ii) our undertakings to make timely payments when required to avoid any relevant fines, (iii) the opinion of our PRC Legal Advisor, and (iv) the relevant government policies outlined above, our Directors are of the opinion that this non-compliance matter does not constitute a material nor systemic non-compliance incident, and will not have a material adverse impact on our business operations or financial condition as a whole. Based on the above, no provision has been made in relation to such matter.

In order to ensure ongoing compliance, we have adopted a number of enhanced internal control measures. We are in the process of communicating with our employees with a view to seeking their understanding and cooperation in gradually raising the applicable payment base. In addition, we are commencing remedial measures for our operations to reduce the number of our employees whose contributions are made through third-party agents, including establishing subsidiaries in the relevant regions based on employees' needs and the Company's operating conditions. We commit to promptly fulfilling our obligations as required as soon as practicable in the event that we receive the notification from the relevant government authorities, if any, to require us to rectify, make timely payments, or pay the outstanding amounts due to any deficiencies in our social insurance and housing provident funds in full cooperation with relevant competent government authorities, so that we will not receive material administrative penalties as a result of such deficiencies.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, except for the aforesaid matters in relation to the Company's use of labor dispatch and contributions to social insurance and housing funds, we are complied with the requirements of the relevant social security schemes in the PRC in all material aspects. Our Directors are of the view, and our Serbian Legal Advisor has confirmed that, during the Track Record Period and up to the Latest Practicable Date, we have operated in compliance with the regulations of the Republic of Serbia concerning social security obligations. Based on the opinion of the PRC Legal Advisor, the confirmation of Serbian Legal Advisor and the due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would cause them to disagree with the Directors' view above.

BUSINESS

PROPERTIES

PRC

As of the Latest Practicable Date, among all land parcels owned by the Group, we held land use rights to 13 parcels of land in the PRC, with an aggregate site area of approximately 861,661 square meters. All such parcels have been duly issued land use right certificates.

As of the Latest Practicable Date, the Group owned 17 properties located in the PRC with an aggregate gross floor area of approximately 547,559 square meters, all of which have obtained the relevant property ownership certificates. We generally use our self-owned properties as production facilities and office buildings. We also lease out some of our self-owned properties to generate rental revenue.

As of the Latest Practicable Date, we leased a total of 18 properties in the PRC, primarily for office, warehousing and production purposes, with an aggregate leased gross floor area of approximately 103,087 square meters.

As of the Latest Practicable Date, we had not obtained the registration of lease agreements for eight of our leased properties in PRC, one of which were in the process of registration. The major usages of such leased properties are storage, office and manufacturing. Pursuant to applicable PRC laws and regulations, we may be subject to a penalty ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant competent. The maximum potential penalty in respect of the aforesaid unregistered leases is RMB100,000.

Serbia

As of March 31, 2026, among all land parcels owned by Xingyu Serbia, we held land use rights to seven parcels of land in Serbia, with an aggregate surface area of approximately 125,200 square meters. All such parcels have obtained the relevant land use right certificates.

As of March 31, 2026, we owned nine properties located in Serbia with an aggregate gross floor area of approximately 44,300 square meters for manufacturing and R&D purposes, all of which have obtained the relevant property ownership certificates. As of March 31, 2026, we did not lease properties in Serbia.

Other overseas countries and regions

As of the Latest Practicable Date, we leased two properties in Germany, two properties in the U.S., and six properties in Japan for R&D and operational purposes.

As of December 31, 2024, 2025 and March 31, 2026, none of our individual properties had a carrying value representing 15% or more of our total assets. Pursuant to Chapter 5 of the Listing Rules of the Hong Kong Stock Exchange and paragraph 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirement to include in the valuation report referred to in paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance all interests in land or buildings.

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INSURANCE

We believe that our insurance coverage is adequate and consistent with industry practices applicable to our business. Our assets, employee safety and other relevant items/risks are covered by commercial insurance policies, primarily including statutory social insurance, motor vehicle insurance, employers’ liability insurance and property insurance. We will continue to review and assess our risk profile, making necessary and appropriate adjustments to our insurance programs to align with our operational needs and prevailing industry practices. During the Track Record Period, we did not make any material insurance claims in respect of our business.

However, there can be no assurance that we will not incur losses or claims that exceed the limits or scope of coverage under our insurance policies. See “Risk Factors — Risks Relating to Our Business and Industry — If we fail to maintain an effective quality management system, particularly during the production expansion, our business, reputation, financial condition and results of operations may be adversely affected” for further details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have deeply integrated environmental, social and governance (“ESG”) into our strategy, decision-making and operations, established the Social Responsibility Management Policy to systematically identify material ESG matters and formulate corresponding policies, procedures and control measures, and enhanced metrics management to support sustainable operations.

ESG Governance Structure

We have established a comprehensive ESG governance structure: the Board serves as the highest decision-making body, formulating ESG policies and strategies, assessing operational risks and overseeing target progress, and directly leading ESG initiatives through the Strategy and ESG Committee. The ESG Working Group, as the executive body, formulates and implements action plans, manages daily ESG risks, monitors and reports target progress, and drives the integration of ESG into daily business management.

ESG Risk and Opportunity Management

We have established a Risk Management Policy and continuously enhanced our risk management, internal control and materiality assessment mechanisms. Based on our industry characteristics and operational practices, we have identified several material ESG topics and formulated corresponding mitigation and response measures, as summarized below:

<u>Material ESG Issues</u>	<u>Risk and Opportunity Analysis</u>	<u>Mitigation and Response Measures</u>
Climate Change . . .	Climate-related physical and transition risks may result in asset impairment, increased operating costs, and changes in market preferences. Meanwhile, the development and provision of low-carbon products and services may enable the Group to better meet market demand and capture additional growth opportunities.	We are progressively improving and actively advancing our carbon neutrality targets and transition plans, establishing a comprehensive greenhouse gas emissions accounting and management system, promoting energy-saving and carbon reduction technologies and equipment upgrades, and gradually increasing the proportion of renewable energy usage. See “— Response to Climate Change” for further details.

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Material ESG Issues	Risk and Opportunity Analysis	Mitigation and Response Measures
Emissions and Waste Management	Inadequate emissions and waste management may cause environmental pollution, while tightening regulations will increase compliance costs. Improving resource efficiency and promoting recycling support long-term cost reduction and responsible brand building.	We continuously improve the treatment of air emissions, wastewater and solid waste, strengthen recycling initiatives, reduce the generation of pollutants and waste at source, and mitigate environmental impacts arising from our production and operations.
Product Quality and Safety	Product quality risks may affect customer satisfaction, damage reputation and result in compliance or market access risks, whereas high-quality products can create new market opportunities.	We implement stringent quality control throughout the entire product lifecycle, from R&D to production, strengthen product quality risk assessment, identify areas for improvement and deliver high-quality products.
Sustainable Supply Chain	Raw material shortages, rising costs and delivery delays threaten business continuity and competitiveness, while deeper supply chain collaboration drives innovation and product optimization for long-term advantages.	We have established a full lifecycle supplier management system, integrated ESG considerations into supplier onboarding, procurement and evaluation processes, and built a resilient and sustainable supply chain.
Business Ethics and Anti-Corruption .	Inadequate management of fraud prevention, anti-bribery, fair competition and anti-monopoly practices, as well as unethical conduct, may lead to compliance, operational and reputational risks.	We extend business ethics and anti-corruption requirements to directors, all employees and the supply chain, and strengthen whistleblowing mechanisms and whistleblower protection.

Environment

Environmental Management

We have established multiple internal environmental management policies and measures, ensuring the effective implementation of environmental management. In 2023, our Company was recognized as a National-Level Green Factory. During the Track Record Period, 100% of our major manufacturing bases obtained ISO 14001 environmental management system certification, and none of these entities were subject to any administrative penalties imposed by environmental authorities for violations of environmental laws or regulations.

Emissions

We have established internal management systems such as the Pollutant Discharge Management System to implement source control and conduct regular monitoring of wastewater, air emissions, solid waste and other emissions generated during production and operations, ensuring that emissions meet standards. We have set pollutant reduction targets to reduce air pollutant emissions, wastewater emissions and waste generation per unit output by 20% by 2050, taking 2025 as the benchmark. During the Track Record Period, we achieved improvements across key metrics. Air emissions intensity (million m³/RMB million of revenue) decreased from 0.3 in 2023 to 0.2 in the three months ended March 31, 2026; wastewater discharge intensity (tons/RMB million of revenue) decreased from 40.5 in 2023 to 25.1 in the three months ended March 31, 2026; and 100% of hazardous waste was disposed of in compliance with applicable regulations.

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Energy Management

In accordance with energy management system standards, we have issued the Energy Management Manual and related procedural documents, which set out management requirements covering the full operation of the energy management system. Among our facilities, the Qinling Road manufacturing facilities have obtained ISO 50001 energy management system certification. We plan to achieve a 30% proportion in the procurement and use of renewable energy (including green power purchase agreements and green certificates) by 2030. This target has been broken down into executable and traceable annual milestones: 16% in 2026, 19% in 2027, 22% in 2028, 26% in 2029, and 30% in 2030. During the Track Record Period, we implemented diversified measures to expand the application of renewable energy in our production and operations: (i) constructing photovoltaic power generation facilities at production plants; (ii) achieving 100% direct hydropower supply at the Serbian Manufacturing Base; and (iii) purchasing and retiring international green certificates as a supplement to further increase the proportion of green electricity usage. In 2025, our total photovoltaic power generation amounted to 18,601.2 MWh, direct hydropower supply reached 15,305.3 MWh, and retired green certificates accounted for 6,616 MWh, resulting in a clean energy utilization rate of 12.2%.

The table below sets out the energy and resource consumption of the Group during the Track Record Period:

Indicator	Unit	Year ended December 31,			Three months ended March 31,
		2023	2024	2025	2026
Electricity consumption . . .	MWh	223,600.3	289,287.4	332,919.4	70,732.2
Clean energy consumption . .	MWh	24,073.2	33,920.8	40,522.5	7,001.4
Clean energy utilization rate	%	10.8	11.7	12.2	9.9

Response to Climate Change

We have formulated the Carbon Emissions Management Manual, setting out our carbon policies, targets and system requirements, and incorporated climate objective achievement into senior management performance assessment and incentive mechanisms. Both Changzhou and Serbian manufacturing bases received a B rating (Management Level) in the 2025 CDP climate change assessment.

Management of Climate-related Risks and Opportunities

We have formulated the Risk and Opportunity Control Procedure under the Carbon Emission Management System, conducting annual climate risk and opportunity identification and reporting to the Board of Directors annually. We have identified physical risks such as operational disruption from extreme weather, transition risks such as compliance and market risks arising from carbon reduction policies and technological development, and green market opportunities driven by energy efficiency improvements and low-energy product R&D. The Company addresses these through flexible production scheduling, emergency reserves, investments in environmental technologies, and carbon neutrality goals.

Metrics and Targets

We actively support the objectives of the Paris Agreement. Using 2023 as the baseline year for greenhouse gas (“GHG”) emissions, we have set the following climate-related targets: by 2030, to achieve a 40% reduction in carbon emission intensity per unit of output value; by 2040, to achieve net-zero emissions from our own operations; and by 2050, to achieve carbon neutrality across the entire value chain.

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The table below sets out the Group’s GHG emissions during the Track Record Period:

		Year ended December 31,			Three months ended March 31,
Indicator	Unit	2023	2024	2025	2026
GHG emissions					
Scope 1 GHG emissions . .	tons of CO ₂ equivalent	395.9	560.9	606.6	158.5
Scope 2 GHG emissions . .	tons of CO ₂ equivalent	116,843.1	149,542.7	158,656.2	33,815.6
Scope 3 GHG emissions ⁽¹⁾	tons of CO ₂ equivalent	20,317.9	14,226.2	11,434.5	/(⁽²⁾)
GHG emission intensity					
Scope 1 and Scope 2 emission intensity	tons of CO ₂ equivalent/ RMB million of revenue	11.4	11.3	10.4	9.9
Scope 1, Scope 2, and Scope 3 emission intensity	tons of CO ₂ equivalent/ RMB million of revenue	13.4	12.4	11.2	/

Note:

- (1) Scope 3 greenhouse gas emissions cover Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting) and Category 9 (downstream transportation and distribution). In 2023, Scope 3 emissions covered our Changzhou Manufacturing Base. In 2024, the Scope 3 boundary was expanded to our Serbian Manufacturing Base. We will progressively expand the coverage of Scope 3 emissions.
- (2) As Scope 3 emissions involve extensive data collection and calculation, we engage professional third-party service providers in the first half of each subsequent year to complete the GHG inventory for the preceding year. Accordingly, Scope 3 GHG emissions and emission intensity data for the first three months of 2026 are not disclosed.

Social

Occupational Health and Safety

We have established a Health, Safety and Environment (“HSE”) Committee and formulated a series of policies, including the Health, Safety and Environmental Responsibility Policy, Occupational Health Management Policy and safety management system. Occupational health and safety performance is incorporated into performance assessments, and we continuously improve workplace health and safety conditions. We have obtained ISO 45001 certification for our occupational health and safety management system.

During the Track Record Period, no major injury accidents, nor any major occupational health and safety violations or irregularities, have occurred in the course of the Company’s operations, and the number of fatalities is zero.

Product Responsibility

We closely follow national strategic priorities and industry development trends, and have formulated the R&D Management Manual to strengthen lifecycle management of R&D projects and enhance independent innovation capabilities. We attach great importance to the recyclability design of automotive lighting products, focusing on three major directions: post-consumer recycled materials (PCR), post-industrial recycled materials (PIR), and bio-based materials for continuous breakthroughs. We have adopted the Specification for the Use of Restricted and Prohibited Substances (《禁限用物質的使用規範》) to ensure the recyclability and harmlessness of materials, and the Technical Requirements for the Crushing

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of Painted PC Waste (《帶油漆PC廢料粉碎技術要求》) to clarify standards for waste recycling and treatment, covering the core links of recyclability design. In 2025, we successfully developed 6 types of PCR materials and 2 types of PIR materials.

Anti-corruption

We have formulated policies such as the Supervision Management Policy, Internal Control Inspection and Supervision Policy, and Integrity Commitment under the Sunshine Project to strengthen process control and audit supervision. We adopt a zero-tolerance approach to misconduct and have established multiple reporting channels. We strictly protect the confidentiality of whistleblowers and prohibit any form of retaliation. During the Track Record Period, there were no litigation cases involving corruption.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with environmental, occupational health and safety and anti-bribery and anti-corruption laws and regulations in the PRC applicable to our business operations in all material aspects. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

Serbia

We adopt a zero-tolerance approach to misconduct and have established multiple reporting channels in our operations in Serbia. We strictly protect the confidentiality of whistleblowers and prohibit any form of retaliation all in line with the Law on the Protection of Whistleblowers. During the Track Record Period, we had no legal proceedings involving corruption in Serbia.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with environmental, occupational health and safety and anti-bribery and anti-corruption laws and regulations in the Republic of Serbia applicable to our business operations in all material aspects. Our Serbian Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

LICENSES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting.

The following table sets forth details of our material licenses and permits:

No.	Holder	Certificate Name	Issuing Authority	Validity Period
1	Company	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
2	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	April 3, 2026 – April 2, 2031
3	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	December 15, 2025 – December 14, 2030
4	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	June 27, 2024 – June 26, 2029
5	Foshan Xingyu	Pollutant Discharge Permit	Foshan Municipal Ecology and Environment Bureau	May 20, 2025 – May 19, 2030

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No.	Holder	Certificate Name	Issuing Authority	Validity Period
6	Changzhou Xinghang Import & Export . .	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
7	Xingyu Serbia	Decision on the occupancy permit	City of Niš — City Administration for Construction	Not time-limited

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulties in renewing material licenses, permits or approvals above. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals and certificates as they expire in future as long as there are no material adverse changes on our business operation and we are in compliance with applicable laws, regulations, and rules.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with the rules of the Shanghai Stock Exchange and other applicable laws and regulations to our major business operation in the PRC and Serbia, in all material respects. Our PRC Legal Advisor and Serbia Legal Advisor are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may, from time to time, be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management’s time and attention. As of the Latest Practicable Date, we and our major subsidiaries were not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses, nor, so far as we are aware, are any such proceedings pending or threatened. See “Risk Factors — Risks Relating to Our Business and Industry — We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies and other legal and administrative proceedings or fine.”

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted, or will continue to adopt, a number of measures. (1) We have established an Audit Committee to review and supervise our financial reporting process and internal control system. (2) We have adopted policies to ensure compliance with the Listing Rules, including in relation to risk management, connected transactions and information disclosure. (3) We organise training sessions for our Directors and senior management on the requirements of the Listing Rules and their duties as directors

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of Hong Kong listed companies. (4) We also provide periodic training to our senior management and employees on professional conduct and ethics standards, and incorporate compliance requirements into our employee discipline and supervision framework. (5) We have established clear guidelines and processes for identifying, measuring and managing price and currency risks, including conducting hedging activities within a structured framework. (6) We enhance our reporting and record systems across factories, including centralising quality control and safety management systems and conducting regular inspections. (7) We have established emergency procedures to address major quality-related issues and product returns. (8) We provide enhanced training on quality assurance and product safety procedures. (9) We also distribute employee handbooks to strengthen awareness of compliance with applicable laws and regulations.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets out major awards and recognitions we received during the Track Record Period:

<u>Year</u>	<u>Awards/Recognition</u>	<u>Awarding Entity</u>
2023 to 2025 . .	Gold Award, 8th, 9th and 10th Lingxuan Award in Mass-Produced Electronic and Electrical Category	Lingxuan Award Organizing Committee
2025	Best Practice in Internal Control for Listed Companies in 2025	China Association for Public Companies
2023	Best Practices in Corporate Governance for Listed Companies in 2023	China Association for Public Companies
2023 and 2025	Top 10 Enterprises of Electrical Luminary Industry in China Light Industries	China National Light Industry Council, China Electrical Luminary Association
2025	Maturity Model of Intelligent Manufacturing Capability (Level 4) Certificate	Shanghai Computer Software Technology Development Center
2024	National May Day Labor Certificate	All-China Federation of Trade Unions
2024	Gold Award, 11th China LED Pioneer Award	11th China LED Pioneer Award Organizing Committee
2024	Contract-Honoring and Creditworthy Enterprise Publicity Certificate	Jiangsu Provincial Enterprise Credit Management Association
2024	Grand Prix in the Mass Production Category of the 9th China Auto Parts Industry Awards	World New Auto Technology Collaboration Ecosystem Association

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Year	Awards/Recognition	Awarding Entity
2024	Integration of Informatization and Industrialization Management System Certificate	Twofold Integration Management System Assessment Working Committee
2024	CNAS Laboratory Accreditation Certificate	the CNAS
2023	National Intellectual Property Demonstration Enterprise (Oct 2022 - Sep 2025)	National Intellectual Property Administration
2023	National Industrial Design Center (2024-2027)	MIIT
2023	Green Factory	MIIT
2023	2023 Ministry of Industry and Information Technology Intelligent Manufacturing Model Factory	MIIT
2023	Top 100 Science & Technology Enterprises in China Light Industry	China National Light Industry Council
2023	Chinese Red Cross Dedication Medal	Red Cross Society of China
2023	High-Tech Enterprise	Jiangsu Provincial Department of Science and Technology; Jiangsu Provincial Department of Finance; State Taxation Administration Jiangsu Provincial Taxation Bureau
2023	2022 Jiangsu Provincial Science and Technology Award Third Prize	Jiangsu Provincial People's Government
2021	National Manufacturing Single Champion Demonstration Enterprise	Ministry of Industry and Information Technology of the People's Republic of China; China Federation of Industrial Economics