SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to **[REDACTED]** *in the* **[REDACTED]**.

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

OVERVIEW

We are a leading domestic provider of the in-vehicle intelligent connectivity solutions industry in China, according to the F&S Report. Intelligent connected vehicles ("**ICVs**"), are vehicles equipped with technologies that enable communication between the vehicle, its internal systems and external networks, so as to support connected, safer and more intelligent vehicle functions. We provide customized solutions principally covering in-vehicle communication, E-call, and sensing and domain control functions to OEM customers in the PRC. During the Track Record Period and up to the Latest Practicable Date, all of our revenue was generated from PRC customers.

Within the PRC market, we are the fourth largest domestic provider of in-vehicle communication solutions in China (market share: 4.9%), with our 4G in-vehicle communication solutions rank third among all domestic providers and fourth among all providers in the market (market share: 5.2%) in terms of shipment volume of 4G T-Box for the year ended December 31, 2025, according to the F&S Report. Our competitive advantage extends to the E-call solutions sector, where we are the second-largest domestic provider (market share: 2.6%) in terms of shipment volume of E-call terminals for the year ended December 31, 2025. Furthermore, leveraging our overall strengths in the in-vehicle communication solutions sector, we have accelerated the development of our 5G in-vehicle communication solutions, with shipment volume reaching approximately 54.6 thousand units for the year ended December 31, 2025. We have established our position as one of the largest domestic supplier of in-vehicle communication solutions featuring communication modules equipped with domestic chips, according to the F&S Report.

For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, our various solutions achieved shipment volumes of approximately 848.6 thousand units, 1,504.0 thousand units, 1,879.0 thousand units, 590.6 thousand units and 680.7 thousand units, respectively. We have successfully partnered with six of the top ten OEMs in China in 2025 and two of the top three domestic automotive brands in China, according to the F&S Report.

We have also maintained stable gross profitability during the Track Record Period. Our gross profit margin was 23.5%, 27.4%, 26.3%, 21.1% and 23.6% for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively.

Our Business Model

We primarily serve PRC automotive OEMs and operate in the midstream of the in-vehicle intelligent connectivity solution value chain. Upstream, we procure chips, PCBs, communication modules and other automotive-grade components from suppliers and authorized agents. Midstream, we develop, manufacture and commercialize in-vehicle communication solutions, E-call solutions and sensing and domain control solutions. Downstream, we sell directly to OEM customers for integration into specific vehicle models. Our role in this value chain is to convert OEM-specific technical and functional requirements into customized automotive-grade products and solutions that can be validated, mass-produced and delivered on a vehicle-program basis.

Our business workflow generally consists of a design-in and development stage and a mass production and commercialization stage. In the first stage, we engage with OEM customers based on the requirements of specific vehicle programs, develop and customize the relevant solution, complete testing, validation and iteration, and seek nomination or design-win for the relevant vehicle model. This stage is project-based and typically requires substantial engineering input before commercial supply begins. Revenue contribution at this stage is generally limited and mainly relates to technical services. Such technical services primarily comprise research and development, customization, integration, testing, validation and related engineering support services provided directly to OEM customers for specific vehicle programs. Depending on the relevant commercial arrangements, such services may be separately charged and recognized as revenue upon completion and acceptance of the agreed deliverables. We consider this to be a recurring part of our ordinary and usual course of business, as OEM customers generally require such pre-commercial development-stage work before the relevant vehicle program can enter mass production, although the amount of such revenue may vary from year to year depending on program mix and billing arrangements. The period from design-win to commencement of mass production and revenue generation is generally 9 to 24 months, with an average of approximately 12 months.

In the second stage, after nomination or design-win and completion of the relevant validation procedures, the relevant vehicle program enters mass production and commercialization, at which point we begin supplying products under production agreements, nomination documents and/or purchase orders based on OEM production schedules. Revenue from product sales is generally recognized at this stage upon delivery and acceptance of the relevant products in accordance with the applicable contractual arrangements. Because our products are highly customized and embedded into OEM customers' electronic and software architectures, a vehicle program that has entered mass production generally continues to contribute revenue over the production life of the relevant vehicle model, which is typically two to three years.

Our Solutions

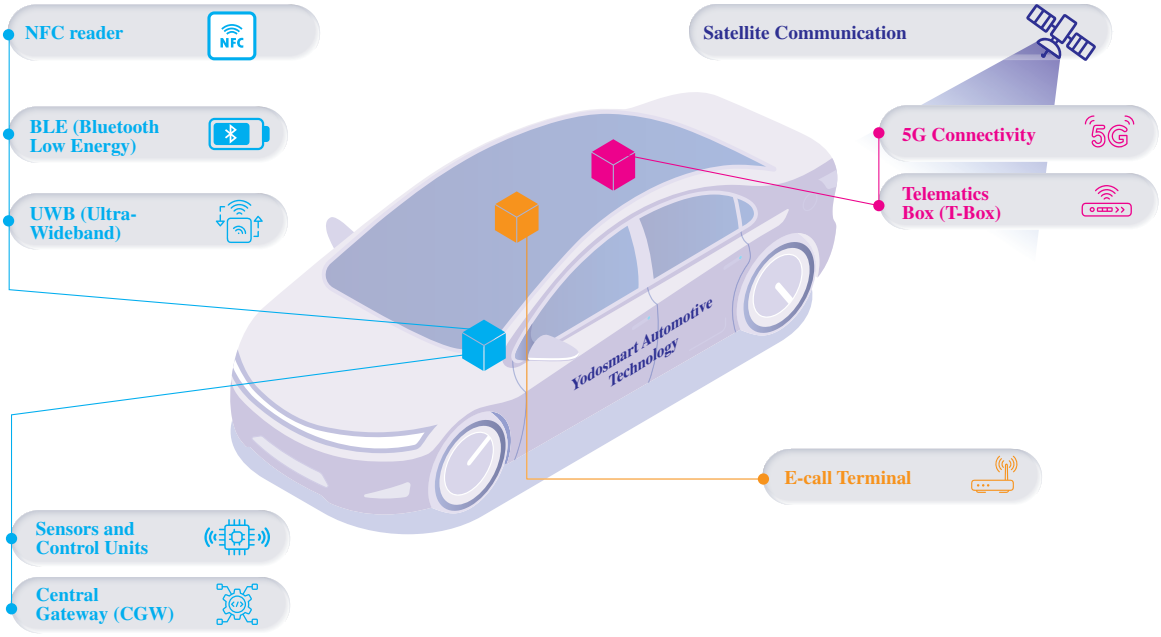
We provide integrated in-vehicle intelligent connectivity solutions for ICVs. We combine automotive-grade hardware, embedded software and connectivity capabilities into vehicle-ready solutions that are designed to fit the architecture, functions and compliance requirements of different OEMs and vehicle models. Our solutions are organized into three principal categories: in-vehicle communication solutions, E-call solutions and sensing and domain control solutions.

- Our **in-vehicle communication solutions** address the vehicle's external communication and connectivity needs. They enable the vehicle to exchange information with cloud platforms and other external networks, support connected services and remote vehicle management, and allow the vehicle to continue evolving through software updates and ongoing data interaction after delivery. Within a typical ICV, these solutions also support interaction with other vehicle domains by enabling connected cockpit services, information exchange for certain intelligent driving scenarios (such as robotaxi), and remote vehicle condition checks, monitoring and control functions. Driven by the industry trend of in-vehicle communications evolving towards high capacity, high reliability and deterministic low latency, we continue to optimize our solutions and technologies to support intelligent in-vehicle communication infrastructure, vehicle-cloud synergy, operational data processing and regulatory compliance requirements.

- Our **E-call solutions** are safety-focused vehicle solutions designed to enable emergency communication in the event of a serious accident and to support OEMs' compliance with applicable regulatory and market access requirements in relevant jurisdictions. Depending on the architecture of a particular vehicle program, the relevant functionality may be integrated with the broader connectivity solution or deployed in a more dedicated form, but in either case the purpose is to provide reliable vehicle-based emergency communication under demanding operating conditions.

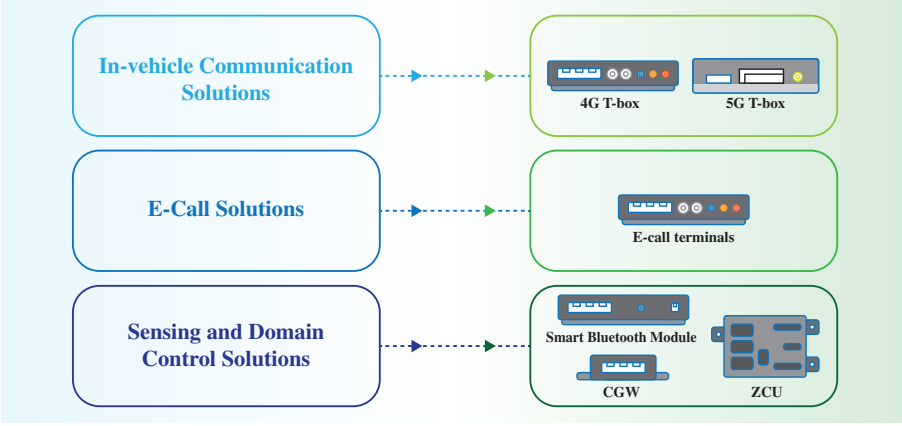
- Our **sensing and domain control solutions** address the internal coordination side of the vehicle. They support the routing, coordination and secure exchange of information within a typical ICV, which becomes increasingly important as vehicle architectures evolve toward more centralized, domain-based and zonal structures, through multi-anchor point layouts and multi-sensor fusion forming an upgraded "perception-decision-control" intelligent system. They also support secure access and digital key related functions, helping OEMs improve in-vehicle communication efficiency, system coordination and vehicle-level security.

Our delivery model is highly customized. Different OEM customers, and often different vehicle models, require different mechanical, electrical, software and protocol configurations. To manage this, we develop and control individually coded component variations for specific customer programs. These component variations are the underlying building blocks through which our three solution categories are configured and deployed on vehicles. As a result, our solutions are not uniform off-the-shelf products in identical form across customers, but comprise productized hardware together with self-developed software, system configuration, interface adaptation and vehicle-model-level customization carried out for specific OEM customers and vehicle programs.



These three solution categories are embodied through defined product families, which together illustrate how our integrated solutions are deployed on vehicles. Our in-vehicle communication solutions are delivered primarily through our T-Box product family, including 4G T-Box, 5G T-Box and satellite-enabled T-Box variants, which mainly support the vehicle's external communication and connectivity functions. Our E-call solutions are delivered primarily through E-call terminals, although, depending on the architecture and compliance requirements of a particular vehicle program, the relevant emergency communication functionality may also be integrated into the T-Box. Our sensing and domain control solutions are delivered through products such as CGW, ZCU and smart Bluetooth modules, which mainly support in-vehicle data routing, coordination, secure access and vehicle-level security and control. Accordingly, the products shown in the figure should be understood as the principal product embodiments of our three solution categories, rather than as isolated off-the-shelf items, as each is configured and deployed as part of an integrated vehicle solution for the relevant OEM and vehicle model.

Our Products and Solutions



The following table sets forth a breakdown of our revenue by solutions for the years/periods indicated.

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
In-vehicle Communication Solutions	189,453	92.1	332,466	83.5	287,731	64.1	98,220	75.1	77,261	43.1
– 4G In-vehicle Communication Solutions	189,453	92.1	332,415	83.5	239,776	53.4	97,848	74.8	73,230	40.9
– 5G In-vehicle Communication Solutions	–	–	51	0.0	47,955	10.7	372	0.3	4,031	2.2
Emergency Call Solutions	1,887	0.9	28,635	7.2	102,082	22.7	15,532	11.9	78,763	43.9
Sensing and Domain Control Solutions	12,436	6.0	20,706	5.2	42,714	9.5	12,308	9.4	13,351	7.4
Others[(1)]	935	0.5	2,694	0.7	3,161	0.7	2,001	1.5	3,541	2.0
Technical Services	1,083	0.5	13,701	3.4	13,598	3.0	2,760	2.1	6,397	3.6
Total	**205,794**	**100.0**	**398,202**	**100.0**	**449,286**	**100.0**	**130,821**	**100.0**	**179,313**	**100.0**

Note:

Others mainly includes sales of raw material inventory.

Revenue from our in-vehicle communication solutions increased in 2024, primarily due to the ramp-up of mass production for 4G in-vehicle communication solutions, and decreased in 2025 mainly because the decrease in 4G in-vehicle communication solutions revenue more than offset the revenue contribution from the commercialization of 5G in-vehicle communication solutions. Similarly, revenue from our in-vehicle communication solutions decreased in the five months ended May 31, 2026 as compared with the same period in 2025, with a decrease in 4G in-vehicle communication solutions revenue and an increase in revenue from 5G in-vehicle communication solutions. Revenue from our E-call solutions increased significantly during the Track Record Period, primarily driven by increasing demand from export-oriented vehicle programs and the ramp-up of mass production. Revenue from our sensing and domain control solutions also increased during the Track Record Period, mainly due to higher shipment volume as more relevant products entered mass production.

The following table sets forth our shipment volume and ASP of our products by solutions during the Track Record Period.

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	ASP	Shipment Volume	ASP	Shipment Volume	ASP	Shipment Volume	ASP	Shipment Volume	ASP	Shipment Volume
	RMB	*Thousand Units*	*RMB*	*Thousand Units*	*RMB*	*Thousand Units*	*RMB*	*Thousand Units*	*RMB*	*Thousand Units*
In-vehicle Communication Solutions	300	631	292	1,138	321	897	285	344	305	254
Emergency Call Solutions	798	2	513	56	430	238	452	34	422	186
Sensing and Domain Control Solutions	58	215	67	310	57	744	58	212	55	241
Total	**240**	**848**	**254**	**1,504**	**230**	**1,879**	**214**	**591**	**249**	**681**

Shipment volume of our in-vehicle communication solutions increased in 2024 due to the ramp-up of 4G products, while ASP decreased slightly as the product mix remained mainly 4G-based; in 2025, shipment volume decreased but ASP increased, primarily because higher-priced 5G products contributed a larger portion of sales. Following this trend, shipment volume of our in-vehicle communication solutions decreased in the five months ended May 31, 2026 as compared with the corresponding period in 2025, while the ASP increased over the same comparative period. Shipment volume of our E-call solutions increased significantly during the Track Record Period as more export-oriented vehicle programs entered mass production, while ASP decreased as the relevant products moved into larger-scale commercialization and the product mix changed. Shipment volume of our sensing and domain control solutions increased in 2024 and 2025 as more products were delivered for mass production, while ASP fluctuated mainly due to changes in product configuration and customer program mix. Both shipment volume and ASP of our sensing and domain control solutions remained relatively stable in the five months ended May 31, 2026 as compared with the same period in 2025.

The following table sets forth the breakdown of our gross profit and gross profit margin by solutions during the Track Record Period.

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
In-vehicle Communication Solutions	43,699	23.1	85,146	25.6	64,226	22.3	22,172	22.6	9,764	12.6
Emergency Call Solutions	485	25.7	8,662	30.2	38,814	38.0	3,211	20.7	23,595	30.0
Sensing and Domain Control Solutions	3,123	25.1	4,064	19.6	2,548	6.0	(554)	(4.5)	1,942	14.5
Others	220	23.5	851	31.6	1,593	50.4	634	31.7	2,449	69.2
Technical Services	831	76.7	10,226	74.6	11,086	81.5	2,160	78.3	4,487	70.1
	48,358	**23.5**	**108,949**	**27.4**	**118,267**	**26.3**	**27,623**	**21.1**	**42,237**	**23.6**

Gross profit of our in-vehicle communication solutions increased in 2024 in line with revenue growth, but decreased in 2025 mainly due to lower revenue from 4G products; its gross profit margin increased in 2024 due to improved operating leverage and decreased in 2025 primarily due to changes in product mix and cost structure. Gross profit of our in-vehicle communication solutions decreased from the five months ended May 31, 2025 to the same period in 2026, in line with the decrease in revenue for this solution category; its gross profit margin declined mainly due to changes in product mix and cost structure. Gross profit and gross profit margin of our E-call solutions increased significantly during the Track Record Period, primarily due to revenue ramp-up, economies of scale and improved cost absorption as relevant products entered larger-scale mass production. Gross profit of our sensing and domain control solutions decreased in 2025 despite revenue growth, and its gross profit margin declined as well, mainly because certain products remained at an earlier stage of commercialization and were affected by product mix, program timing and cost absorption. For the five months ended May 31, 2025, our cost of sales overweighted revenue for our sensing and domain control solutions for the same reasons, while for the same period in 2026, both gross profit and gross profit margin picked up significantly as a result of the successful commercialization of certain programs and products.

Our Technological Advantages

Our technological advantages are built on our platform-based and integrated research and development capabilities across embedded software, middleware, communication software, algorithms and automotive-grade hardware design. Instead of developing isolated software or hardware functions, we organize these capabilities into a layered technical architecture that helps us turn communication and control functions into vehicle-ready solutions. We have independently developed an embedded software integration platform that helps bridge architecture differences among chip suppliers, establish unified software interfaces and improve portability across different vehicle programs, which in turn supports faster customization, more efficient development and better reuse across OEM projects. We have also platformized and modularized our middleware functions and developed AUTOSAR-compatible software capabilities, including CP AUTOSAR foundational software and AP AUTOSAR functional components, which help us improve product stability, reduce repeated integration work and respond more efficiently to different OEM and vehicle-model requirements.

Building on this engineering foundation, we have developed our own core communication software and related technologies for key connectivity functions, including 5G and other vehicle connectivity applications. In particular, our 5G in-vehicle communication advantage lies not simply in offering a 5G device, but in delivering a more complete vehicle-ready solution that is designed to work reliably in actual driving conditions and can be adapted more efficiently to different OEM platforms and vehicle models. Our 5G solution is intended to provide faster, more stable and better-managed vehicle connectivity, helping reduce connection disruptions, improve communication efficiency and support important in-vehicle functions more effectively. It is also designed to meet demanding automotive operating requirements, which helps us shorten integration cycles and respond more efficiently to evolving OEM needs as the industry continues to move toward 5G-enabled vehicle connectivity.

OUR STRENGTHS

We believe our success is underpinned by a combination of mutually reinforcing advantages, including (i) established market position in China's in-vehicle intelligent connectivity solutions market; (ii) proven product solutions and commercialization capabilities; (iii) certification, qualification and customer validation capabilities; (iv) scalable manufacturing and quality control capabilities; and (v) experienced leadership and talent base.

OUR STRATEGIES

We aim to drive sustainable growth through five mutually reinforcing strategies: (i) continue to enhance our technology and research and development capabilities; (ii) further broaden our customer base and capture market opportunities in China; (iii) prudently expand our international business; (iv) continue to enrich our product and solution offerings; and (v) further improve our manufacturing, delivery and commercialization capabilities.

INDUSTRY OVERVIEW

Overview of In-vehicle Intelligent Connectivity Solution Industry

According to the F&S Report, in-vehicle intelligent connectivity solutions refer to integrated hardware, software and related services that enable vehicles to communicate with cloud platforms, road infrastructure, other vehicles, users and systems within the vehicle, and thereby support intelligent connectivity, safety and related functions. The market mainly includes in-vehicle communication solutions, E-call solutions and other related hardware, software and service components. Driven by the continued growth of ICVs, increasing demand for vehicle connectivity and safety functions, infrastructure development, policy support and the ongoing evolution of vehicle electrical/electronic architecture, China's in-vehicle intelligent connectivity solution market is expected to grow from RMB169.3 billion in 2025 to RMB553.0 billion by 2030, according to the F&S Report. In 2025, hardware remained the largest component of China's in-vehicle intelligent connectivity solution market, accounting for 53.7% of the market size, primarily comprising 4G/5G T-Boxes, E-call units, infotainment hardware, security chips and other electronic components.

Among the key subsegments, in-vehicle communication solutions serve as the core connectivity layer for information transmission and interaction between vehicles and external networks. Classified by mobile communication standard, in-vehicle communication solutions mainly include 4G and 5G solutions. 4G solutions remain widely adopted due to mature network coverage, established in-vehicle terminal standards and lower cost, while 5G solutions provide higher bandwidth, lower latency and larger connection capacity for high-end applications such as high-precision positioning, V2X and advanced driver-assistance functions. As 5G adoption increases, the shipment gap between 4G and 5G solutions is expected to narrow, while 5G products generally command higher prices due to their more complex hardware and technology. In 2025, by shipment volume of T-Box, we ranked fifth among all suppliers and fourth among domestic suppliers in China's in-vehicle communication solution market, with a shipment volume of approximately 898.0 thousand units and a market share of 4.9%. In the 4G T-Box segment, we ranked fourth among all suppliers and third among domestic suppliers in China in 2025, with a shipment volume of approximately 843.4 thousand units and a market share of 5.2%, according to the F&S Report.

E-call solutions, which provide automatic or manual emergency call functions, are another important subsegment and are increasingly supported by safety regulations and market access requirements in China and overseas markets. In 2025, E-call solution shipments in China reached approximately 9.0 million units. In the same year, by shipment volume of E-call, we ranked second among domestic E-call suppliers and third among all E-call suppliers in China, with a shipment volume of approximately 238.0 thousand units and a market share of 2.6%, according to the F&S Report.

RISK FACTORS

Our operations involve certain risks and uncertainties. The more significant risks relating to our business and industry include: (i) the in-vehicle intelligent connectivity solution industry is highly competitive; (ii) we are subject to the risk of customer concentration; (iii) our historical results may not be indicative of future performance, which makes it difficult to evaluate our business prospects and financial performance; (iv) The risks arising from export controls, sanctions, trade restrictions, cross-border data-flow rules and geoeconomic supply-chain risks could materially and adversely affect our business, results of operations, and financial condition; and (v) disruptions in the supply chain may materially and adversely affect our business and profitability. For details, please refer to the section headed "Risk Factors" in this document.

OUR PRODUCTION

As of May 31, 2026, we owned and operated the Deqing Facility in Huzhou, Zhejiang Province, with a total gross floor area of approximately 6,000 square meters. This facility, which commenced trial production in 2022 and entered full-scale production by 2023, is primarily responsible for the assembly, integration, and system testing of our proprietary products. To strengthen our ability to meet the growing demand of one of our key customers, we are preparing for the construction of a new facility in Wuhu, Anhui Province (the "**Wuhu Facility**"). Under our current plan, the Wuhu Facility has commenced trial production in the first quarter of 2026 and is undergoing transfer audit. It is expected to commence formal mass production in the third quarter of 2026, and is currently expected to provide additional production capacity of approximately 0.6 million units after the relevant expansion and ramp-up. This facility is part of the strategic initiative supported by the local government in Wuhu, which aims to introduce leading enterprises into the automotive intelligence supply chain to better serve this key customer.

For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, the utilization rate of our Deqing Facility for our in-vehicle communication solution and E-call solution was approximately 71.9%, 91.5%, 82.0%, 63.0% and 77.5%, respectively.

In the highly specialized automotive industry, production demands can fluctuate due to varying customer needs and model specifications. To manage these fluctuations, especially during peak periods, we have established long-term partnerships with outsourced manufacturing facilities. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, our outsourcing production outputs accounted for approximately 45.7%, 31.5%, 15.8% and 8.1% of our total production outputs, respectively. The decrease in our outsourcing production was primarily attributable to the ramp-up of our Deqing Facility, which entered full-scale production in 2023, enabling us to internalize a greater portion of our production activities. As a result, our reliance on outsourced manufacturing facilities declined accordingly as our in-house manufacturing capability strengthened.

SALES AND MARKETING

Direct Sales to OEMs

Our sales strategy focuses on direct engagement with OEMs, ensuring strong, long-term partnerships through collaborative communication. We primarily generate revenue from direct sales to OEM customers, while a small portion of our revenue during the Track Record Period was generated from sales to automotive parts companies and other non-OEM customers. By working closely with OEMs to understand their specific requirements, we provide tailored solutions that align with each project's unique needs. This direct model allows us to oversee the entire product development cycle, from initial negotiations to final delivery, ensuring efficiency and high-quality outcomes. We handle a variety of vehicle models and adjust production systems to meet the evolving demands of the automotive market, offering highly customized solutions leveraging our integrated software and hardware capabilities.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, revenue from the five largest customers in each year/period during the Track Record Period was RMB200.8 million, RMB385.0 million, RMB429.1 million and RMB172.1 million, respectively, accounting for 97.6%, 96.7%, 95.6% and 96.0% of our total revenue, respectively. For the same years/periods, revenue from our largest customer in each year/period during the Track Record Period were RMB149.3 million, RMB361.7 million, RMB384.4 million and RMB138.8 million, respectively, accounting for 72.6%, 90.8%, 85.6% and 77.4% of our total revenue, respectively. Since our inception and up to May 31, 2026, we had cumulatively served a total of 42 OEM customers. For movement of our OEM customers during the Track Record Period, please refer to "Business – Our Customers" in this document.

Customer Concentration

Our revenue profile shows that we have been dependent on a small number of major customers. For details, please refer to "Risk Factors – Risks Relating to Our Business and Industry – We are subject to the risk of customer concentration" in this document. While this concentration mirrors the domestic automotive industry's current procurement and supply-chain structure, we still acknowledge that over-reliance on this single customer is a critical vulnerability and have committed to reducing our reliance on any single customer. This effort has become a key part of our broader strategy. To achieve this, we are actively diversifying our customer portfolio by targeting additional leading OEMs in both domestic and international markets. Our established record in research and development and mass production strengthens our ability to attract and secure new OEM customers. By continuing to expand our offerings to other large OEMs, we aim to spread our revenue streams and reduce the risks tied to our largest customer. For details, please refer to "Business – Our Customers – Major Customers – Customer Concentration" in this document.

Our Suppliers

For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, purchase amounts from our five largest suppliers in each year/period during the Track Record Period was RMB87.9 million, RMB160.6 million, RMB162.6 million and RMB83.8 million, respectively, accounting for 56.4%, 53.5%, 51.1% and 49.0% of our total purchase amounts, respectively. For the same years/periods, purchase amounts from our largest supplier in each year/period during the Track Record Period were RMB25.7 million, RMB43.1 million, RMB96.0 million and RMB50.9 million, respectively, accounting for 16.5%, 14.3%, 30.2% and 29.8% of our total purchase amounts, respectively.

SEASONALITY

Our financial performance is subject to seasonal patterns in the PRC automotive market, as we primarily supply our products and solutions to PRC OEM customers. Our production planning, deliveries and sales are generally aligned with our OEM customers' manufacturing schedules and procurement plans. For example, during the summer months (typically June to August), some OEMs and suppliers may implement high-temperature shutdowns or operate at reduced capacity, which may in turn lower vehicle production demand and related procurement.

In the second half of the year, PRC OEM customers often increase production and procurement to support sales campaigns, manage inventory levels and meet annual targets. Furthermore, vehicle purchases by consumers in Chinese Mainland tend to be influenced by major holiday and promotional periods such as the Chinese New Year, Labor Day and National Day, and PRC OEM customers may adjust production schedules and procurement accordingly. In particular, consumer demand is often stronger in the period leading up to the Chinese New Year, and PRC OEM customers may advance production and procurement in the preceding months. The fourth quarter may also reflect a combination of National Day promotions, preparation for Chinese New Year demand, and year-end settlement and stocking activities. As a result, we may generally experience higher shipment volumes and sales activity in the second half of the year, especially in the third and fourth quarters. The magnitude and timing of these seasonal effects may vary from year to year depending on, among other factors, OEM production plans, vehicle model launch cycles, inventory management, macroeconomic conditions and consumer demand trends.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Li will, by himself and through Hangzhou Yunhui and Hangzhou Lizhi, be entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of the total issued share capital of our Company. Accordingly, Mr. Li, Hangzhou Yunhui and Hangzhou Lizhi will be our Controlling Shareholders upon the **[REDACTED]** for the purpose of the Listing Rules. Please refer to "History, Development and Corporate Structure" and "Relationship with Our Controlling Shareholders" for details.

[REDACTED] Investments

We have completed **[REDACTED]** equity financings to fund our business expansion. Please refer to "History, Development and Corporate Structure – **[REDACTED]** Investments" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following data and discussion should be read in conjunction with our consolidated financial information and related notes and the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss and other Comprehensive Income

The table below sets forth our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of our revenue for the years/periods indicated.

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Revenue	205,794	100.0	398,202	100.0	449,286	100.0	130,821	100.0	179,313	100.0
Cost of sales	(157,436)	(76.5)	(289,253)	(72.6)	(331,019)	(73.7)	(103,198)	(78.9)	(137,076)	(76.4)
Gross profit	48,358	23.5	108,949	27.4	118,267	26.3	27,623	21.1	42,237	23.6
Other income	3,416	1.7	10,545	2.6	5,684	1.3	1,956	1.5	223	0.1
Other net (losses)/gains	(116)	(0.1)	(141)	(0.0)	61	0.0	(98)	(0.1)	(121)	(0.1)
Selling and marketing expenses	(5,086)	(2.5)	(5,901)	(1.5)	(7,750)	(1.7)	(2,838)	(2.2)	(3,095)	(1.7)
Administrative expenses	(10,636)	(5.2)	(14,915)	(3.7)	(28,047)	(6.2)	(8,404)	(6.4)	(19,883)	(11.1)
Research and development costs	(30,185)	(14.7)	(32,475)	(8.2)	(31,284)	(7.0)	(13,378)	(10.2)	(14,861)	(8.3)
(Expected credit losses)/Reversal of credit losses on trade receivables and contract assets	(2,749)	(1.3)	(10,549)	(2.6)	142	0.0	161	0.1	(119)	(0.1)
Profit from operations	3,002	1.4	55,513	14.0	57,073	12.7	5,022	3.8	4,381	2.4
Finance costs	(1,428)	(0.7)	(2,393)	(0.6)	(1,766)	(0.4)	(1,024)	(0.8)	(791)	(0.4)
Changes in the carrying amount of redemption liabilities	(4,549)	(2.2)	(9,339)	(2.4)	(10,550)	(2.3)	(5,941)	(4.5)	(88)	(0.0)
(Loss)/Profit before taxation	(2,975)	(1.5)	43,781	11.0	44,757	10.0	(1,943)	(1.5)	3,502	2.0
Income tax credit/(expense)	13,910	6.8	(3,636)	(0.9)	(5,183)	(1.2)	1,309	1.0	882	0.5
Profit/(Loss) and total comprehensive income for the year/period	**10,935**	**5.3**	**40,145**	**10.1**	**39,574**	**8.8**	**(634)**	**(0.5)**	**4,384**	**2.4**

Our profit and total comprehensive income for the year slightly decreased from RMB40.1 million in 2024 to RMB39.6 million in 2025, despite the increase in our revenue and gross profit during the same year. This was primarily because the positive effect of higher gross profit was more than offset by (i) a decrease in other income, (ii) increases in selling and marketing expenses and, in particular, administrative expenses, (iii) a higher loss arising from changes in the carrying amount of redemption liabilities, and (iv) a higher income tax expense. These adverse movements were partly offset by lower finance costs and the reversal of expected credit losses on trade receivables and contract assets in 2025. We recorded loss and total comprehensive income for the period of RMB0.6 million for the five months ended May 31, 2025 and profit and total comprehensive income for the period of RMB4.4 million for the five months ended May 31, 2026, primarily due to the increase in our gross profit from RMB27.6 million to RMB42.2 million during this period.

Non-IFRS Measures

To supplement our consolidated financial information that are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that these measures provide useful information to **[REDACTED]** and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Adjusted Net Profit (Non-IFRS Measure)

We define adjusted net profit (non-IFRS measure) as profit and total comprehensive income for the year/period adjusted by adding back: (i) changes in the carrying amount of redemption liabilities, representing the carrying amounts changes of the redemption rights granted by us, which is non-cash in nature and was reclassified to equity after the termination of the investors' redemption rights, (ii) equity-settled share-based payment expenses, which was non-cash in nature and represented the employee benefit expenses incurred in connection with our award to management and key employees, and (iii) **[REDACTED]** expenses, which represented expenses in relation to the **[REDACTED]**.

The following table sets out a reconciliation from profit and total comprehensive income for the year/period to adjusted net profit (non-IFRS measure) for the years/periods indicated.

	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Reconciliation of profit and total comprehensive income for the year/period to adjusted net profit (non-IFRS measure)					
Profit/(loss) and total comprehensive income for the year/period	10,935	40,145	39,574	(634)	4,384
Added:					
Changes in the carrying amount of redemption liabilities	4,549	9,339	10,550	5,941	88
Equity-settled share-based payment expenses	380	1,017	1,638	680	951
[REDACTED] expenses	–	–	6,046	142	7,718
Adjusted net profit (non-IFRS measure)	**15,864**	**50,501**	**57,808**	**6,129**	**13,141**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total current assets	252,662	367,278	318,745	363,576
Total non-current assets	38,825	39,426	42,521	67,210
Total current liabilities	276,688	351,948	281,650	268,127
Total non-current liabilities	5,335	3,536	2,184	1,193
Net current (liabilities)/assets	**(24,026)**	**15,330**	**37,095**	**95,449**
Net assets	**9,464**	**51,220**	**77,432**	**161,466**

Our net assets recorded a growth trend as of the end of each year/period of the Track Record Period, primarily due to profits and total comprehensive income generated during the relevant years/periods, as well as capital contributions from shareholders and equity-settled share-based payment transactions. We recorded net current liabilities as of December 31, 2023, mainly due to a relatively high level of current liabilities, including trade and other payables, bank loans and redemption liabilities arising from **[REDACTED]** investment arrangements. We recorded net current assets as of December 31, 2024 and 2025 and May 31, 2026, mainly because our current asset base, including inventories, contract assets, trade and other receivables, restricted bank deposits and cash and cash equivalents, increased in line with our business growth and outweighed our current liabilities. The significant increase in net current assets as of May 31, 2026 was also primarily attributable to the reclassification of redemption liabilities to equity following the termination of the relevant redemption rights.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/periods indicated.

	Year ended December 31,			Five months ended May 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Net cash (used in)/generated from operating activities	(39,421)	23,374	47,586	4,359	88,483
Net cash generated from /(used in) investing activities	5,279	(11,754)	(17,063)	(2,599)	(28,688)
Net cash generated from/(used in) financing activities	35,012	(10,191)	(22,554)	1,965	(14,094)
Net increase/(decrease) in cash and cash equivalents	870	1,429	7,969	3,725	45,701
Cash and cash equivalents at January 1	924	1,794	3,223	3,223	11,192
Cash and cash equivalents at December 31/May 31	**1,794**	**3,223**	**11,192**	**6,948**	**56,893**

For the year ended December 31, 2023, we recorded net cash used in operating activities of RMB39.4 million, primarily because our business was still in a scaling stage and our cash collection cycle had not yet fully matched the pace of revenue growth and procurement needs. The operating cash outflow was mainly attributable to working capital movements, including an increase in trade and other receivables as revenue expanded and an increase in inventories to support customer delivery and production planning. For further details, please refer to "Financial Information — Liquidity and Capital Resources — Cash Flows."

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios for/as of the dates/periods indicated.

	As of/ Year ended December 31,			As of/For the five months ended May 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross profit margin[(1)]	23.5%	27.4%	26.3%	23.6%
Current ratio[(2)]	0.9	1.0	1.1	1.4
Quick ratio[(3)]	0.8	0.8	0.9	1.0
Debt-to-asset ratio[(4)]	1.0	0.9	0.8	0.6

Note:

(1) Gross profit margin is calculated using gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) Current ratio is calculated by dividing total current assets by total current liabilities as of the dates indicated.

(3) Quick ratio is calculated using current assets less inventories and divided by current liabilities as of the dates indicated.

(4) Debt-to-asset ratio is calculated by dividing total liabilities by total assets as of the dates indicated.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised. In alignment with our strategies and development plans, we intend to allocate the net **[REDACTED]** for the following purposes:

- approximately **[REDACTED]**% (HK$**[REDACTED]** million) of the net **[REDACTED]** will be allocated towards research and development expansion and technological innovation.
- approximately **[REDACTED]**% (HK$**[REDACTED]** million) of the net **[REDACTED]** will be allocated towards industrial and technological acquisitions.
- approximately **[REDACTED]**% (HK$**[REDACTED]** million) of the net **[REDACTED]** will be allocated towards the development of a production facility in Wuhu.
- approximately **[REDACTED]**% (HK$**[REDACTED]** million) of the net **[REDACTED]** will be a reserved for working capital and general corporate purposes.

For details, please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document.

DIVIDEND

On December 30, 2025, our shareholders' meeting resolved to declare a dividend in respect of RMB0.30 per share of RMB15.0 million. This represents the first dividend declaration in our operating history. No dividends were paid or declared for the years ended December 31, 2023 and 2024. In January 2026, we have paid the dividends declared in respect of the year 2025 in full. See Note 28(b) to the Accountants' Report in Appendix I to this document.

There is no assurance that dividends of any amount will be declared or distributed in any year. Although currently we do not have a formal dividend policy or a fixed dividend distribution ratio, our Board may declare dividends in the future after taking into account various factors, including our future earnings and cash inflows, future plan for use of funds, long-term development of our business, statutory reserves, discretionary common reserve funds, legal and regulatory restrictions, and other factors which our Directors consider relevant. Distribution of dividends will be decided by our Board at their discretion and will be subject to Shareholders' approval. In addition, our dividend policy will also be subject to our Articles of Association, the PRC Company Law and any other applicable PRC laws and regulations.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2026, being the end of the period reported on in the Accountants' Report as set out in Appendix I to this document.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** H Shares are issued pursuant to the **[REDACTED]**, (ii) the **[REDACTED]** is not exercised, and (iii) **[REDACTED]** Shares are issued and outstanding following the completion of the **[REDACTED]**.

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
[REDACTED] of our Shares[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share as of May 31, 2026[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]** (assuming that **[REDACTED]** is not exercised).

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share as of May 31, 2026 is calculated after making the adjustments referred to in "Appendix II – Unaudited **[REDACTED]** Financial Information" in this document. No adjustment has been made to reflect any trading results or other transactions entered into subsequent to May 31, 2026.

[REDACTED]-RELATED EXPENSE INCURRED AND TO BE INCURRED

The total estimated **[REDACTED]** expenses in connection with the **[REDACTED]** are approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million), representing approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range) and the **[REDACTED]** is not exercised, and of which approximately RMB**[REDACTED]** million is directly attributable to the issue of the **[REDACTED]** which is expected to be accounted for as a deduction from equity upon the **[REDACTED]** in accordance with relevant accounting standards. The remaining estimated **[REDACTED]** expenses amount to approximately RMB**[REDACTED]** million, of which (i) approximately **[REDACTED]**, **[REDACTED]**, RMB**[REDACTED]** and RMB**[REDACTED]** was recognized as expenses in the consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, respectively; and (ii) approximately RMB**[REDACTED]** is expected to be recognized as expenses after May 31, 2026 and up to the **[REDACTED]**. Such total estimated **[REDACTED]** expenses include (i) **[REDACTED]**-related expenses of RMB**[REDACTED]** million; (ii) fees and expenses of legal advisers and reporting accountants of RMB**[REDACTED]** million; and (iii) other fees and expenses of RMB**[REDACTED]** million. The **[REDACTED]** expenses above are the current estimate for reference only and the final amount to be recognized as expenses in the consolidated statements of profit or loss and other comprehensive income is subject to changes in variables and assumptions.