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OVERVIEW

We are a leading domestic provider of the in-vehicle intelligent connectivity solutions industry in China, with the technical capabilities to offer comprehensive solutions, according to the F&S Report. We provide customized automotive connectivity solutions to meet the evolving demands of ICVs. These solutions, which span in-vehicle communication, E-call, and sensing and domain control solutions, are designed to seamlessly integrate with vehicle functions, ensuring safety, efficiency, and enhanced user experience.

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 approximate 848.6 thousand units, 1,504.0 thousand units and 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 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 2025 and 2026, respectively, reflecting a relatively stable level of profitability.

With the continued development and refinement of the ICV technology architecture, the connectivity domain has become an increasingly important hub within the vehicle technology architecture, enabling external interaction and information transmission, as well as internal communication, command and control. In parallel, with advances in communications technology, in-vehicle intelligent connectivity solutions are evolving from 4G technologies toward 5G and satellite communications, with a view to achieving low-latency and high-quality connectivity and supporting the continued evolution of autonomous driving technologies. In addition, the global promotion of the E-call system as mandatory infrastructure has led more OEMs to develop and deploy the connectivity domain as a standalone unit for research and development and application. Leveraging our research and development capabilities and commercialization execution, we have established a product portfolio of intelligent connectivity and domain control solutions that covers a broad range of vehicle models and application requirements. This enables us to provide intelligent vehicles with stable and secure connectivity infrastructure and enhances safety and user interaction experiences. As of June 30, 2026, our solutions had been embodied in 328 distinct component variations that have entered mass production on OEM customers’ vehicles.

We have continued to develop ICV technologies and to promote the iterations of technologies such as satellite communication, with the objective of enhancing the technical performance of intelligent connectivity domains. Following our deployment in the areas of single-vehicle intelligence and vehicle-to-road collaboration, we plan to further expand our solution portfolio to address the diversified needs of our customers and contribute to the development of the ICV ecosystem.

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Our Solutions

A typical ICV is increasingly organized around major functional domains, including the cockpit domain, the intelligent driving domain, the chassis domain, the power domain and the vehicle body domain. Within this architecture, the connectivity domain serves as the layer through which information is transmitted within the vehicle and between the vehicle and the external environment. In practical terms, it allows different intelligent functions of the vehicle to communicate with one another, access external networks and continue improving over time through software and data interaction.

It is within this connectivity domain that our solutions are positioned. Our role is not limited to supplying a standalone component. Rather, we provide integrated in vehicle intelligent connectivity solutions that combine automotive grade hardware, embedded software and connectivity capabilities, and are deployed on vehicle platforms to enable communication, coordination, safety and control functions. These solutions help OEMs connect the vehicle externally, manage the internal flow of information across vehicle systems, and support the execution of connected functions in a manner that fits the architecture and requirements of a specific vehicle program.

This connectivity layer interacts closely with the other intelligent solutions of a typical ICV. In the cockpit domain, it supports connected infotainment, navigation updates, voice and App-based interaction, and other user-facing services that depend on external data exchange. In the intelligent driving domain, it supports the transmission and coordination of information used in assisted driving and vehicle to everything communication scenarios, helping the vehicle respond more intelligently to surrounding vehicles, infrastructure and road conditions. In the chassis and power domains, it supports remote monitoring, diagnostics, software optimization and other functions that help improve vehicle performance, maintenance efficiency and operating safety over time. In the vehicle-body domain, it supports connected access, remote control and other intelligent body functions. In this way, the connectivity domain does not operate in isolation. It serves as the enabling link through which multiple intelligent solutions and functional domains of an ICV can work together as an integrated system.

Our three principal solution categories are closely connected but serve different functions within the same overall architecture. Our in-vehicle communication solutions mainly address the vehicle’s external communication and connectivity needs. Our E-call solutions mainly address emergency communication and safety-related compliance requirements. Our sensing and domain control solutions mainly address the secure routing, coordination and control of information within the vehicle. Although these solution categories differ in their immediate application, they all follow the same underlying logic of integrating hardware, software and connectivity into vehicle-ready solutions that allow the ICV to communicate outward, coordinate inward and support a broader range of intelligent functions across the vehicle lifecycle.

Our in-vehicle communication solutions form a key hub connecting the internal and external networks of a typical ICV. They enable the vehicle to communicate both within the vehicle and with cloud platforms and other external networks throughout its lifecycle. These solutions support core connected functions such as vehicle data transmission, receipt of instructions and software updates, remote vehicle management, and user-facing services including connected navigation, infotainment and mobile App-based control. By combining automotive-grade hardware, embedded software and connectivity capabilities into an integrated vehicle solution, they enable the vehicle not only to remain connected after delivery, but also to evolve through ongoing software, data and service interaction. Within the broader ICV architecture, these solutions also support interaction with other vehicle domains, including cloud-enabled cockpit services, V2X communication for certain intelligent driving scenarios, remote vehicle condition checks and software optimization in the chassis and power domains, and connected access and control functions in the vehicle body domain. In terms of commercialization, the shipment volume of products for our in-vehicle communication solutions was approximately 631.1 thousand units, 1,138.5 thousand units, 897.5 thousand units, 344.2 thousand units and 253.6 thousand units for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively.

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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. By combining automotive-grade hardware, embedded software and connectivity capabilities into an integrated vehicle solution, they enable the initiation of emergency calls and the transmission of critical information under demanding operating conditions. Depending on the architecture and compliance requirements of a particular vehicle program, the relevant functionality may be integrated with the broader connectivity solution or deployed in a more dedicated form. This solution category also benefits from synergies with our in-vehicle communication capabilities and supports our expansion into export vehicle model programs. As for our E-call solutions, we shipped approximately 2.4 thousand units, 55.8 thousand units, 237.7 thousand units, 34.3 thousand units and 186.4 thousand units for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively.

Our sensing and domain control solutions support the internal coordination, routing and secure exchange of information within a typical ICV. In practical terms, these solutions help different vehicle systems communicate in an orderly, secure and efficient manner, which becomes increasingly important as vehicle architectures evolve toward more centralized, domain-based and zonal structures. They also support secure access and digital key related functions by enabling the vehicle to recognize authorized devices and facilitate intelligent access, unlocking and starting functions. By combining automotive-grade hardware and embedded software into integrated vehicle solutions, our sensing and domain control solutions help OEMs improve in-vehicle communication efficiency, system coordination and vehicle-level security. Accordingly, our sensing and domain control solutions are not isolated control components, but integrated solutions that support the broader intelligence, security and functional coordination of the vehicle architecture. As of June 30, 2026, our CGW products have been delivered in 39 component variations to eight OEMs. In terms of commercialization, we shipped approximately 215.1 thousand units, 309.7 thousand units, 743.8 thousand units, 212.1 thousand units and 240.7 thousand units for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively. We are also developing and testing higher-level ZCU products and advancing the commercialization of UWB-enabled vehicle entry modules with OEM customers.

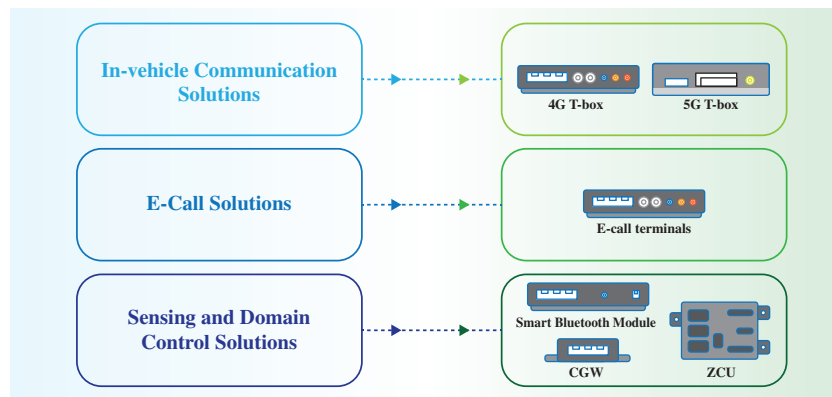
Each of our solution offerings represents an integrated vehicle solution rather than merely a standalone device. In practice, our solutions are applied to vehicles through a combination of automotive grade hardware, embedded software and connectivity capabilities that work together to perform specific functions within the vehicle architecture. The hardware provides the physical in vehicle carrier for communication, control, sensing or access functions. The embedded software enables those functions to operate, coordinate and interact with the broader vehicle system. Connectivity capabilities enable the relevant solution to exchange information within the vehicle and, where required, with cloud platforms, road infrastructure, users or emergency response systems. In this way, our solutions are designed to be deployed as part of the operating architecture of a vehicle, rather than as isolated electronic parts.

From a functional perspective, our in-vehicle communication solutions are used to enable reliable exchange of information within the vehicle and between the vehicle and external platforms, thereby supporting connected services, remote vehicle management, software updates and other communication related functions. Our E-call solutions are used to enable emergency communication functions in accident scenarios and to help OEMs meet market specific safety and compliance requirements. Our sensing and domain control solutions are used to manage the internal routing, coordination, secure access and control of information within the vehicle, thereby supporting broader vehicle intelligence and the evolution of vehicle electronic and electrical architectures toward more centralized and domain-based structures.

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These solution categories are embodied through defined product families, which together illustrate how our integrated solutions are deployed in 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. Our E-call solutions are delivered primarily through E-call terminals, and depending on an OEM’s vehicle architecture and compliance strategy, the relevant functionality may also be integrated into the T-Box by leveraging shared communication, positioning and voice call capabilities. Our sensing and domain control solutions are delivered through products such as CGW, ZCU and smart Bluetooth modules, which support in vehicle data routing, secure access and vehicle level security and control. While these products fall under defined solution categories, they are not intended to be understood as identical off the shelf items. Each is engineered, configured and validated to meet the technical, functional and compliance requirements of the relevant OEM and vehicle model. As a result, our ability to provide solutions lies not only in supplying the underlying products, but in integrating hardware, software and connectivity into flexible vehicle ready solutions that can be adapted to different OEM platforms and evolve with vehicle architecture roadmaps.

Our Products and Solutions



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

	For the year ended December 31,						For the 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 include sales of raw material inventory.

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

	For the year ended December 31,						For the five months ended May 31,			
	2023		2024		2025		2025		2026	
	Shipment		Shipment		Shipment		Shipment		Shipment	
	ASP	Volume	ASP	Volume	ASP	Volume	ASP	Volume	ASP	Volume
	Thousand RMB	Units	Thousand RMB	Units	Thousand RMB	Units	Thousand RMB	Units	Thousand RMB	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

The movements in shipment volume and ASP of our three major solution categories during the Track Record Period primarily reflected the timing at which relevant vehicle programs moved from development and validation into mass production, OEM customers’ production schedules and procurement plans, and changes in product and customer mix, rather than simple period-to-period price changes. Because our solutions are developed and supplied on a vehicle-program basis, revenue contribution from a particular solution category may increase significantly when the relevant vehicle programs enter scaled mass production, while ASP may also fluctuate depending on the commercialization stage and product mix of the relevant solution category. In addition, our business is affected by industry seasonality, and sales are generally more concentrated in the second half of the year.

For our in-vehicle communication solutions, shipment volume increased significantly from 631 thousand units in 2023 to 1,138 thousand units in 2024, while ASP remained broadly stable, decreasing slightly from RMB300 to RMB292. This was primarily because more 4G in-vehicle communication solution programs entered mass production and achieved larger-scale deliveries in 2024. In 2025, shipment volume decreased to 897 thousand units, while ASP increased to RMB321. This was mainly because, although shipments of 4G solutions moderated after the strong ramp-up in 2024, 5G in-vehicle communication solutions began to make a more meaningful revenue contribution in 2025, and 5G solutions generally carry a higher unit price than 4G solutions. As a result, the blended ASP increased despite the decline in overall shipment volume. Shipment volume decreased from 344 thousand units for the five months ended May 31, 2025 to 254 thousand units for the same period in 2026, while ASP increased from RMB285 to RMB305 during this period, in line with the trend in 2025.

For our E-call solutions, shipment volume increased significantly from 2 thousand units in 2023 to 56 thousand units in 2024 and further to 238 thousand units in 2025, while ASP decreased from RMB798 in 2023 to RMB513 in 2024 and further to RMB430 in 2025. The significant increase in shipment volume was primarily attributable to the continued commercialization and ramp-up of E-call solutions on a growing number of vehicle programs, particularly as demand from export-oriented vehicle models increased. The decrease in ASP was mainly because 2023 represented only an initial commercialization stage with a very small shipment base, whereas 2024 and 2025 reflected broader mass production and larger-scale deliveries, under which pricing became more consistent with scaled commercial supply. For the five months ended May 31, 2026, shipment volume increased significantly to 186 thousand units from 34 thousand units for the same period of 2025, while ASP decreased to RMB422 from RMB452. This was in line with the trend in 2025. Notwithstanding the decrease in ASP, this solution category recorded strong revenue growth during the Track Record Period as shipment volume expanded significantly.

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For our sensing and domain control solutions, shipment volume increased from 215 thousand units in 2023 to 310 thousand units in 2024 and further to 744 thousand units in 2025, while ASP increased from RMB58 in 2023 to RMB67 in 2024 and then decreased to RMB57 in 2025. For the five months ended May 31, 2025 and 2026, shipment volume remained relatively stable at 212 thousand units and 241 thousand units, with ASP of RMB58 and RMB55 for the corresponding periods, respectively. Compared with our in-vehicle communication solutions and E-call solutions, this solution category was still at a relatively earlier stage of commercialization during the Track Record Period and had not yet reached the same level of scale or stability. As a result, its shipment volume, ASP and overall revenue contribution were more susceptible to fluctuations in product mix, program timing and customer demand. The ASP increase in 2024 and decrease in 2025 were mainly attributable to changes in the mix of relevant vehicle programs and products delivered during the respective years/periods, while the substantial increase in shipment volume in 2025 reflected further commercialization progress of this solution category.

The following table sets forth the breakdown of our gross profit and gross profit margin by solutions during the Track Record Period. For further details of the trend discussion, please refer to the section headed “Financial Information - Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Gross Profit” in this document.

	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	%
	<i>(unaudited)</i>									
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
	<u>48,358</u>	<u>23.5</u>	<u>108,949</u>	<u>27.4</u>	<u>118,267</u>	<u>26.3</u>	<u>27,623</u>	<u>21.1</u>	<u>42,237</u>	<u>23.6</u>

The following table sets forth (i) the accumulated number of design-wins we secured as of the dates indicated; (ii) the accumulated number of design-wins we secured as of the dates indicated that had been converted into mass production; and (iii) the conversion rate of design-wins to purchase orders.

	As of December 31,			As of
	2023	2024	2025	May 31, 2026
Accumulated number of design-wins we secured	219	409	516	583
Number of secured design wins converted into mass production	154	221	400	452
Conversion rate ⁽¹⁾	70.3%	54.0%	77.5%	77.5%

Note:

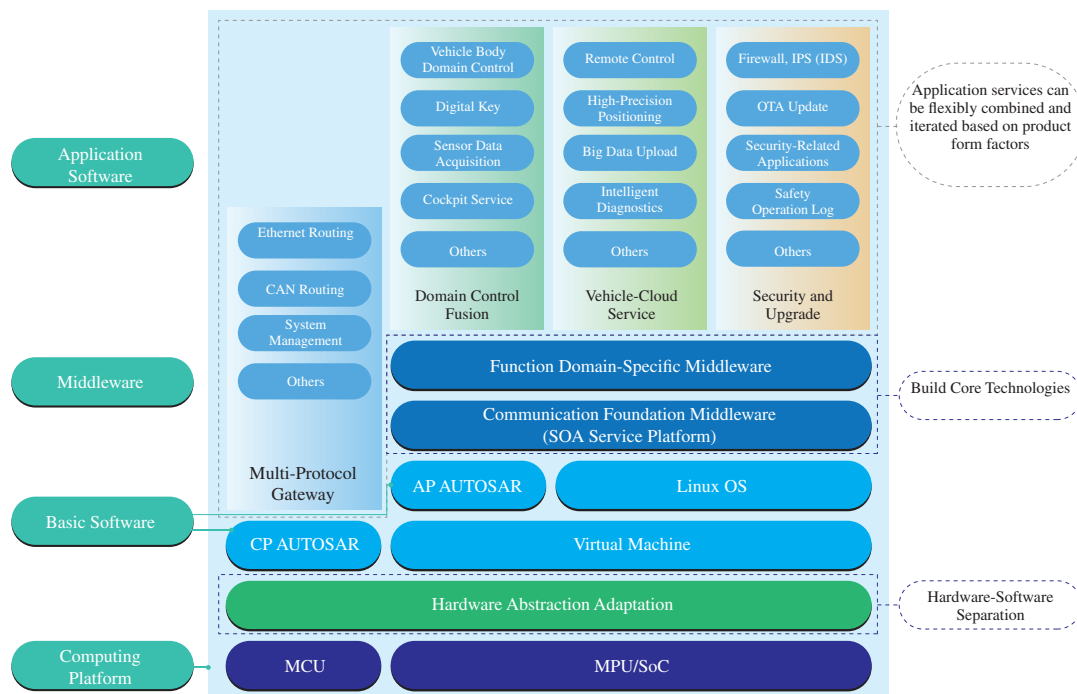
- (1) Conversion rate is calculated by dividing (i) accumulated number of design-wins we secured as of the date that had been converted into mass production orders by (ii) the accumulated number of design-wins we secured as of the same date.

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Our Technological Advantages

Our technical strengths are best understood as a layered architecture that helps us turn automotive communication and control functions into vehicle-ready solutions. As illustrated in the chart below, our architecture can be viewed from bottom to top as four connected layers: the computing platform, the basic software layer, the middleware layer and the application software layer. In other words, the lower layers help the hardware run reliably, the middle layers help different software functions communicate with one another, and the upper layer delivers the actual vehicle functions seen by OEM customers and end users. This structure allows us to develop solutions in a more modular and reusable manner while still adapting them to the requirements of different OEMs and vehicle models.

Our Technical Architecture



At the bottom of this architecture is the **computing platform and the basic software layer**. This is the part that allows the underlying chips and hardware to operate in a stable and consistent way. Our advantage here is not that we create a generic platform for sale on a standalone basis, but that we build the software foundation and development tools needed to support different hardware environments efficiently. This helps us reduce repeated engineering work, improve compatibility across different chip solutions and support more efficient development, testing and deployment for different vehicle programs.

Above that sits the **middleware layer**. Middleware can be understood as the “translator” and “coordinator” inside the software stack. It allows the hardware, the basic software and the upper-layer application functions to work together in an orderly way. This is particularly important in vehicles, where many functions need to exchange information reliably and securely. Our middleware is designed in a modular manner, so that common functions can be reused while customer-specific functions can be added or adjusted more efficiently. This helps improve product stability, shorten adaptation time for new vehicle programs and support customization without starting from scratch each time.

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At the top of the architecture is **the application software layer**. This is where vehicle functions that matter to OEM customers are ultimately realized, such as connectivity services, diagnostics, software updates, security-related functions, digital key related functions and other domain-specific applications. Domain controllers are iterating towards high integration, high computing power, high security, and hardware-software decoupling, supporting modular functional customization and continuous OTA upgrades to better achieve collaborative adaptive control of multiple body functions. Our advantage is that we do not treat these as isolated features. Instead, we develop them on top of a reusable underlying architecture, which allows us to combine common technical building blocks with project-specific customization. This helps us respond more efficiently to different OEM requirements while maintaining consistency in quality and integration.

Within the four-layer architecture described above, Automotive Open System Architecture (“**AUTOSAR**”) can be understood as one of the industry-standard software frameworks that sits mainly in the base software and middleware layers and helps different software and hardware elements work together in a more consistent and reusable manner. AUTOSAR is not a proprietary platform owned by us. It is a widely adopted automotive software framework originally launched in 2003 by prominent OEMs and suppliers, with its partnership administration based in Germany, to promote an open industry standard for automotive electrical and electronic architectures. In other words, AUTOSAR provides a common set of architectural rules, interfaces and integration conventions, so that suppliers and OEMs do not need to redesign fundamental software interfaces for each vehicle program from scratch. Our technical advantage lie in applying AUTOSAR-compatible methods within our own engineering architecture. We have independently developed an embedded software integration platform, bridged architecture differences among chip suppliers, established a unified application programming interface system, and platformized and modularized our middleware functions. AUTOSAR compatibility helps us organize reusable software building blocks more efficiently, reduce repeated integration work, improve portability across different vehicle programs, and respond more quickly to customer-specific customization requirements.

Within AUTOSAR, the AUTOSAR Classic Platform (“**CP AUTOSAR**”), and the AUTOSAR Adaptive Platform (“**AP AUTOSAR**”), serve different purposes. The CP AUTOSAR is a layered software architecture running on a microcontroller, which makes it more suitable for embedded control environments that require stable, predictable and real-time operation. By contrast, the AP AUTOSAR is solution for high-performance computing environments, using services and application programming interfaces to support more flexible and computation-intensive software functions. In practical terms, CP AUTOSAR is better suited to tightly controlled lower-level embedded functions, while AP AUTOSAR is better suited to higher-performance and more flexible software environments.

Our technical advantage is that we have independently developed CP AUTOSAR foundational software and AP AUTOSAR functional components, and we use them as part of our broader software stack rather than as standalone items. CP AUTOSAR helps us build a more stable and reusable lower-level software foundation, while AP AUTOSAR helps us support more flexible higher-level functions where OEM architectures require that approach. We then combine these AUTOSAR-compatible components with our own middleware, protocol stacks, algorithms and application software, including for 5G, vehicle-to-everything communication (“**V2X**”), Bluetooth Low Energy (“**BLE**”), Ultra-Wideband and automotive Ethernet. This is important because it allows us to move more efficiently from a reusable engineering foundation to a customer-specific vehicle solution, improving product stability and module reusability while preserving the flexibility needed for different OEMs and vehicle models. That combination of standards-compatible software foundation, in-house communication software and customer-specific integration is what makes AUTOSAR-related capability one of our technical advantages.

That same integrated engineering approach also supports our transition from 4G to 5G in-vehicle communication solutions. While 4G remains widely used today because it is mature and cost-effective, the industry is gradually moving toward 5G as vehicle functions become more data-intensive and require faster and more stable connectivity. We believe our current 5G capability is competitive not simply because we can provide a 5G T-Box, but because we are able to combine reusable software architecture, communication software and hardware integration into a vehicle-ready 5G solution that can be adapted for different OEM platforms and use cases.

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Our 5G technical advantage lies in connection quality, system efficiency and vehicle-level adaptability. Compared with suppliers that mainly provide a basic communication module or hardware unit, our solution is designed to help the vehicle remain connected more steadily in real-world driving conditions. For example, our solution supports dual-link management, which can reduce the risk of interruption when one communication link becomes weak or unstable, and traffic-priority management, which can allocate bandwidth and transmission priority more efficiently to more important vehicle functions. It can also store historical network information so that the vehicle can reconnect more quickly when it returns to a previously used environment. These functions matter because, as vehicles handle more software updates, cloud services and intelligent-driving related data, OEM customers increasingly need not only a faster connection, but also a more stable and better-managed one. In addition, our software architecture is modular and low-coupling, which helps us adapt the same underlying technology to new projects more efficiently and shorten OEM integration cycles.

Our 5G solutions are also designed to meet demanding automotive operating requirements. Based on our in-house laboratory performance indicators, our current 5G product supports major 5G SA bands in China, multiple satellite positioning systems, automotive operating conditions from -40°C to +85°C, low-power sleep modes achieving no more than 5mA in standard signal conditions exceeding the industry-standard 10mA threshold, industry standard deep-sleep current of no more than 1mA, and eSIM functionality. These indicators support three competitive strengths: first, broad compatibility with domestic network and positioning environments; second, the ability to operate reliably under demanding automotive temperature and power conditions; and third, better support for energy efficiency and always-on connected functions. We believe these capabilities make our solution more suitable for OEM mass-production programs than a narrower or less integrated product offering.

Our Customer Base

Having consistently provided high-quality solutions that meet the demands of leading OEMs, we have established ourselves as a supplier of integrated hardware and software solutions for OEMs. Since our inception and up to May 31, 2026, we had cumulatively served a total of 42 OEM customers. According to the F&S Report, we have successfully partnered with six out of the top ten OEMs in China in 2025. We have also successfully provided solutions for two of the top three domestic automotive brands in 2025 in China, establishing a competitive advantage in the domestic automotive brand business.

As a provider of domestic intelligent connectivity and sensing and domain control solutions, we are continuously enhancing our comprehensive service capabilities. For the years ended December 31, 2023, 2024 and 2025 and the five months ended 31 May, 2026, our solutions entered mass production in 87, 82, 169 and 158 distinct component variations, respectively, supplied to 17, 14, 16 and 15 OEMs. With the increasing adoption of 5G T-Box and E-call solutions and the steady progress of our overseas presence, we believe we are well positioned to enhance our international footprint. At the same time, joint-venture OEMs are actively adjusting their research and development frameworks and supply chain structures to better align with the technological and cost advantages demonstrated by domestic automotive brands. These developments may create additional opportunities for us to broaden engagement with more OEM customers.

STRENGTHS

Established Market Position in China's In-Vehicle Intelligent Connectivity Solutions Market

We are positioned in those parts of China's automotive intelligence market where OEMs increasingly need suppliers that can provide complete, vehicle-ready solutions rather than stand-alone components, particularly for vehicle connectivity, export-market emergency call requirements and more centralized vehicle electronics systems. According to the F&S Report, in 2025 we ranked fifth among all suppliers and fourth among domestic suppliers of in-vehicle communication solutions in China by T-Box shipment volume, with shipment volume of 897.5 thousand units and market share of 4.9%. We also ranked third among domestic suppliers and fourth among all providers of 4G T-Box solutions in China, with shipment volume of 843.4 thousand units and market share of 5.2%. In E-call, we ranked second among domestic suppliers and third among all E-call suppliers for the year ended December 31, 2025, with shipment volume of 237.7 thousand units. According to the F&S Report, we had successfully partnered with six of the top ten OEMs in China in 2024 and provided solutions to two of the top three domestic automotive brands in China in 2024.

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Our position reflects not only market growth, but also our ability to help OEMs move from development to mass production. Unlike suppliers focused mainly on standardized modules, we provide defined product families, such as T-Box, E-call terminals, CGW, ZCU and smart Bluetooth modules, that can be configured, integrated and validated for different OEM requirements and vehicle models. Our competitive advantage also lies in our platform-based development approach, under which we can reuse software and system building blocks across programs while tailoring them to specific OEM requirements, reducing repeated development work and shortening integration cycles. AUTOSAR is a widely used industry software framework rather than a proprietary platform owned by us, and our advantage lies in our ability to use AUTOSAR-compatible and other reusable software building blocks together with our hardware and communication functions so that our solutions can fit more efficiently into OEM vehicle programs. Compared with competitors that rely more heavily on stand-alone modules or project-by-project redevelopment, this gives us a stronger ability to support customization, integration and follow-on deployment across vehicle programs.

Proven Product Solutions and Commercialization Capabilities

We have demonstrated the ability to convert engineering and customer adaptation capability into repeat mass-production supply across multiple solution categories. Our solutions entered mass production in 87, 82, 169 and 158 distinct component variations in 2023, 2024 and 2025 and the five months ended 31 May, 2026, respectively, supplied to 17, 14, 16 and 15 OEMs. According to the F&S Report, we are among the few domestic suppliers in China with annual shipment scale of over one million units, and there are only 4 domestic suppliers at that scale.

Our commercialization capability is also reflected in the breadth and scaling profile of our offering. We provide in-vehicle communication solutions, E-call solutions and sensing and domain control solutions through product families such as T-Box, E-call terminals, CGW, ZCU and smart Bluetooth modules, allowing us to address multiple OEM use cases without relying on a single product category or a single vehicle platform. Newer categories have also begun to scale, with E-call shipment volume increasing from approximately 2.4 thousand units in 2023 to 55.8 thousand units in 2024 and 237.7 thousand units in 2025, and 5G product shipment volume reached approximately 54.6 thousand units in 2025. For the five months ended May 31, 2025 and 2026, our E-call shipment volumes amounted to approximately 34.3 thousand units and 186.4 thousand units, respectively, and our 5G product shipment volume amounted to 0.4 thousand units and 4.8 thousand units, respectively.

Our products are designed to meet demanding requirements on communication stability, positioning, power management and emergency response. For example, our digital-key solution is designed to achieve near-100% recognition rates in typical in-cabin and entry-zone scenarios after calibration and in-cabin positioning accuracy of less than 25 cm, while our E-call solution is designed to meet stringent response and call-establishment timing requirements for emergency communication use cases. Compared with suppliers whose offerings are narrower or less configurable, this solution-based model can reduce OEM integration work and support broader deployment across vehicle programs.

Certification, Qualification and Customer Validation Capabilities

Our global expansion capability is built around regulatory and certification readiness rather than simple overseas sales coverage. We began systematic certification work for our E-call solutions in 2023, and as of May 31, 2026 had obtained 152 mandatory certifications aligned with the requirements of key target markets, including the EU, the UK, India and the UAE. Certification is an important competitive differentiator in this segment because it is jurisdiction-specific, time-consuming and closely embedded in OEM development schedules.

As of June 30, 2026, 67 E-call component variations had entered mass production for 11 OEMs, supporting vehicle models intended for markets including the EU, the UK, ASEAN, the Middle East, South America and Africa. This distinguishes us from suppliers whose products are primarily designed for domestic deployment only and gives us a practical way to participate in the international expansion of PRC OEMs.

BUSINESS

Scalable Manufacturing and Quality Control Capabilities

Our competitiveness does not end at product development. OEM customers also evaluate whether a supplier can deliver automotive-grade products at scale, on schedule and with consistent quality. We have already established million-unit batch-production capability for our core products. Our Deqing Facility has annual capacity of approximately 1.2 million units, and our in-house production ratio increased from 54.3% in 2023 to 68.5% in 2024 and 84.2% in 2025. Such ratio further increased to 91.9% for the five months ended May 31, 2025. Under our current plan, the Wuhu Facility has commenced trial production in the first quarter of 2026 and 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 increasing level of in-house production gives us stronger control over schedule, testing and process consistency while preserving outsourcing flexibility to manage demand fluctuations.

Our delivery capability is supported by an automotive-grade quality and process system across development, manufacturing and after-sales service. We have obtained IATF16949, ISO14001, ISO45001, ISO27001 and ISO21434 certifications, and have achieved CMMI Level 5 and ASPICE Level 2. We also use automated testing and MES-based process traceability to improve testing efficiency, consistency and quality traceability. This combination of manufacturing scale, process control and system capability distinguishes us from smaller providers that may have engineering capability but more limited manufacturing and delivery infrastructure.

Experienced Leadership and Talent Base

Our management team combines automotive electronics, embedded software and industrialization experience, which is important in a business that requires both engineering depth and the ability to support OEM customers through long development and mass-production cycles. Our Chairman, Mr. Li Wei, has over 30 years of experience in embedded software and smart hardware, and our CEO, Mr. Lu Chaohong, has more than 20 years of experience in the automotive sector. More broadly, our senior management team has an average of over 20 years of experience in research and development, procurement and supply chain management.

Our workforce structure also supports continued execution. As of May 31, 2026, our research and development team comprised 149 employees, representing approximately 54.4% of our total workforce. This provides us with the engineering depth to support product iteration, customer customization and commercialization in parallel, which is particularly important in a market where OEM requirements change frequently and development support capability is a key factor in supplier selection.

STRATEGIES

Continue to Enhance Our Technology and Research and Development Capabilities

As automotive intelligence continues to evolve, we intend to focus our research and development investment on product areas that we believe offer stronger technical differentiation and commercialization potential, including 5G in-vehicle communication solutions, E-call solutions, next-generation EEA-related products such as ZCU, digital-key solutions and selected NTN-related technologies. Rather than pursuing research and development expansion in a broad or generic manner, we plan to strengthen our product innovation and industrialization capabilities through improved laboratories, pilot production capability, upgraded hardware and software toolchains and the recruitment and retention of research and development and project personnel. This is intended to improve our ability to move products efficiently from initial development to testing, small-batch production and subsequent scaling.

We also believe this strategy is important to maintaining profitability. By concentrating on higher-value and more differentiated products, reusing platform-based software and hardware building blocks and reducing duplicated development work, we expect to improve research and development efficiency, accelerate commercialization and support a more favorable product mix over time. Please refer to “Future Plans and Use of [REDACTED] – Use of [REDACTED] – Research and Development Expansion and Technological Innovation.”

BUSINESS

Further Broaden Our Customer Base and Capture Market Opportunities in China

We intend to deepen cooperation with existing OEM customers, particularly by supporting the mass production and ramp-up of additional vehicle programs, while selectively expanding our customer base to additional leading OEM customers in China, with a particular focus on OEM customers ranked among the top ten by vehicle sales in China, especially those with annual vehicle sales exceeding two million units. Our customer expansion efforts will remain closely tied to our existing product roadmap and solution capabilities. We plan to continue engaging potential customers early in their vehicle-program development cycle, including by providing product adaptation, testing and technical support, with a view to increasing the likelihood of design wins and mass-production orders. By focusing on large-volume OEM customers with substantial production scale and active model pipelines, we believe we can improve the efficiency of customer acquisition and program conversion, expand shipment volume across a broader range of vehicle programs, and create more opportunities to commercialize our existing and next-generation solutions. We believe this strategy can also support profitability because broader shipment scale across existing and newly penetrated customer programs may help dilute fixed development and support costs, while a broader customer base may also reduce customer concentration risk. This strategy will be supported primarily by our internally generated resources and, to the extent necessary, the portion of net [REDACTED] allocated to working capital and general corporate purposes, while the related product development work will also be supported by the portion allocated to Research and Development Expansion and Technological Innovation.

Prudently Expand Our International Business

We intend to advance our globalization strategy in a targeted manner by following the international expansion of PRC OEMs and selectively deepening relationships with joint-venture OEMs, overseas automotive manufacturers and tier-one suppliers. Our focus will be on export-oriented programs and markets where our certification experience, E-call solutions and existing product capabilities can be more readily commercialized, rather than pursuing overseas expansion on a broad geographic basis. We also plan to strengthen localized collaboration and technical support where necessary to improve program execution for overseas and export vehicle models.

We believe this strategy may support profitability over time because export-oriented and certification-intensive programs generally involve higher technical and regulatory requirements, while our initial overseas expansion is expected to leverage our existing domestic research and development, engineering and manufacturing base rather than require a large upfront overseas fixed-cost build-out. Please refer to “Future Plans and Use of [REDACTED] – Use of [REDACTED] – Research and Development Expansion and Technological Innovation” and “– Working Capital and Corporate Purposes.”

Continue to Enrich Our Product and Solution Offerings

We intend to cultivate new growth areas around “perception – communication – control” by selectively broadening our solution portfolio and deepening our participation in the value chain in view of the trend towards vertical integration among our competitors. This includes co-developing adjacent products with OEM customers and, where appropriate, pursuing disciplined acquisitions or team integrations that can complement our existing products, customers, technologies or supply chain resources. As of the Latest Practicable Date, we had not identified any specific acquisition targets.

We intend to maintain profitability by focusing on opportunities that can be integrated into our existing platform, customer base and manufacturing system, so that new growth areas can contribute not only incremental revenue but also engineering, procurement and commercialization synergies. Please refer to “Future Plans and Use of [REDACTED] – Use of [REDACTED] – Strategic Acquisitions to Strengthen Vertical Integration and Expand Market Reach” and, where relevant, “– Research and Development Expansion and Technological Innovation.”

BUSINESS

Further Improve Our Manufacturing, Delivery and Commercialization Capabilities

We intend to continue enhancing our manufacturing and delivery capabilities by increasing automation, strengthening process traceability and quality control and expanding in-house capacity at the Wuhu Facility. This strategy is intended to support volume growth and shorten delivery cycles while improving production discipline, testing efficiency and consistency across different product categories. We also intend to continue upgrading our MES, automated testing and quality-control systems to support scalable and reliable delivery.

We believe this strategy is important to maintaining profitability because greater in-house production, higher automation and better process control may improve yield, reduce reliance on outsourced production, enhance delivery predictability and support more stable margins over time. See “Future Plans and Use of [REDACTED]” for the portion of net [REDACTED] allocated to the construction of the Wuhu Facility and, to the extent relevant, working capital and general corporate purposes.

BUSINESS MODEL

We are a provider of intelligent connectivity and sensing and domain control products and solutions for the automotive industry. Our business model is primarily OEM-oriented: we work directly with OEM customers to develop, validate, manufacture and deliver vehicle-model-specific products and solutions for integration into their vehicle platforms. We generally combine reusable development modules with customer-specific software adaptation, hardware design, system integration, testing, manufacturing coordination and technical support. This enables us to respond to differing vehicle-platform requirements while supporting OEM customers throughout the development, validation and mass-production process.

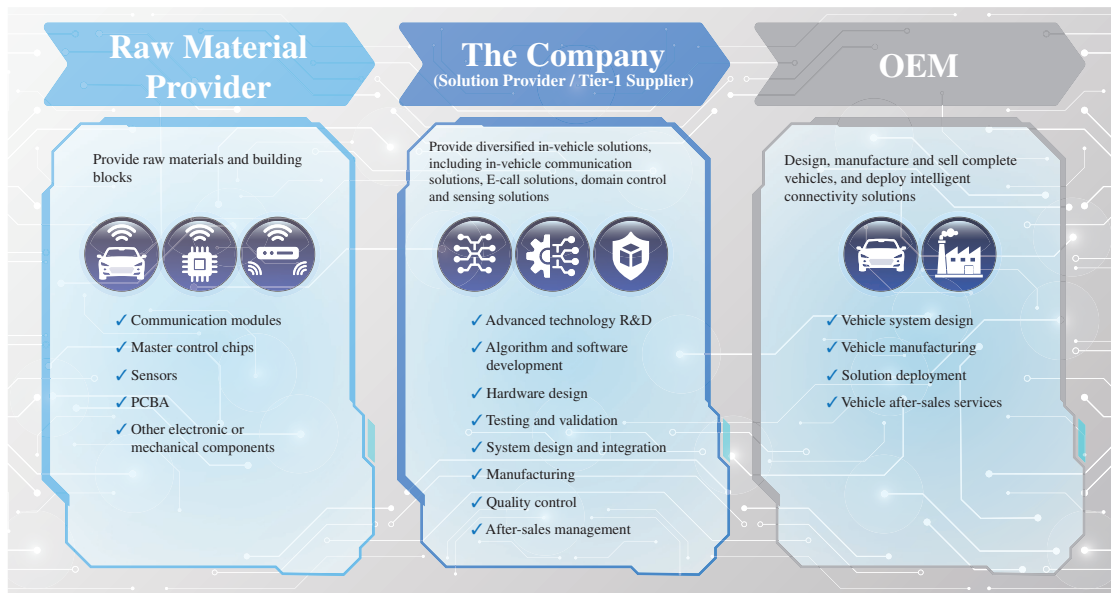
Consistent with this OEM-oriented business model, we primarily target OEM customers in the ICV market, with a commercial focus on passenger vehicle programs of mass-market automotive brands. Our products and solutions can be applied to electric vehicle (“EV”), internal combustion engine and hybrid vehicle models, depending on the relevant vehicle platform and connectivity requirements. At present, our principal focus is on non-commercial vehicles, in particular passenger vehicles.

The chart below demonstrates the in-vehicle intelligent connectivity solution industry value chain.

- Upstream participants in the in-vehicle intelligent connectivity solution industry value chain primarily provide the core inputs required for manufacturing, including communication chips and modules, SoCs, MCUs, sensors, PCBs, antennas, connectors, structural parts and other electronic and mechanical components. Depending on the product type and manufacturing arrangement, external contract manufacturers may also participate in certain production steps, such as PCBA processing, assembly and other manufacturing support services.
- In the midstream of the value chain, we integrate such upstream components with our self-developed software and internally developed hardware design capabilities to deliver automotive-grade products and solutions for vehicle programs. In particular, we have dedicated software development and hardware development teams, which work in coordination on product definition, software and hardware development, system integration, testing and validation, manufacturing coordination, quality control and after-sales technical support.
- Downstream, OEM customers integrate our products and solutions into specific vehicle platforms and commercialize the finished vehicles under their respective brands for sale to end consumers. Our current commercial focus is more concentrated on passenger vehicle programs.

BUSINESS

In-vehicle Intelligent Connectivity Solution Industry Model



Our business model is primarily OEM-oriented. We typically work with OEM customers on a project basis for specific vehicle platforms or models. OEM customers generally provide us with the target vehicle model, technical specifications, functional requirements, communication standards, packaging constraints and, where applicable, regulatory or export-market requirements. Based on these requirements, we carry out product design and development, software-hardware integration, testing and validation, and coordinate production for mass delivery. As such, our business model is centered on delivering vehicle-model-specific solutions tailored to OEM customers’ requirements. Depending on the needs of the relevant vehicle program, we may adapt and deploy existing development modules and platform capabilities while customizing the relevant functional, interface and integration requirements for the OEM customer.

Our solution offerings are not merely standardized parts identified only by model numbers. They generally 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. Depending on the relevant vehicle architecture and customer requirements, we may deploy existing technical modules, development platforms and validated design elements, while customizing the relevant functions, interfaces, parameters and integration requirements. As a result, even where products may appear similar in external form or belong to the same product family, their software configuration, functional scope, communication protocols, system design and validation requirements may differ from one OEM customer or vehicle program to another.

How OEM Customers Select their Suppliers

When an OEM customer selects an in-vehicle intelligent connectivity, E-call or related solution for a new vehicle model, it usually does not look only at one factor such as price or a single function. Instead, it is more like choosing a long-term development partner for a new car model. OEM customers typically conduct a comprehensive evaluation of potential suppliers. This usually includes, among other things, the supplier’s historical supply experience, overall technical capabilities, quality assurance system, and whether the supplier is likely to maintain sustainable capabilities to keep pace with industry technology development and iteration over a relatively long period of time. They will also consider whether the supplier’s solution truly fits that vehicle model, can be smoothly built into the vehicle’s overall system, and can be adjusted to match the customer’s specific needs. In other words, the key question is not simply whether the product works on its own, but whether it works well as part of the whole vehicle.

BUSINESS

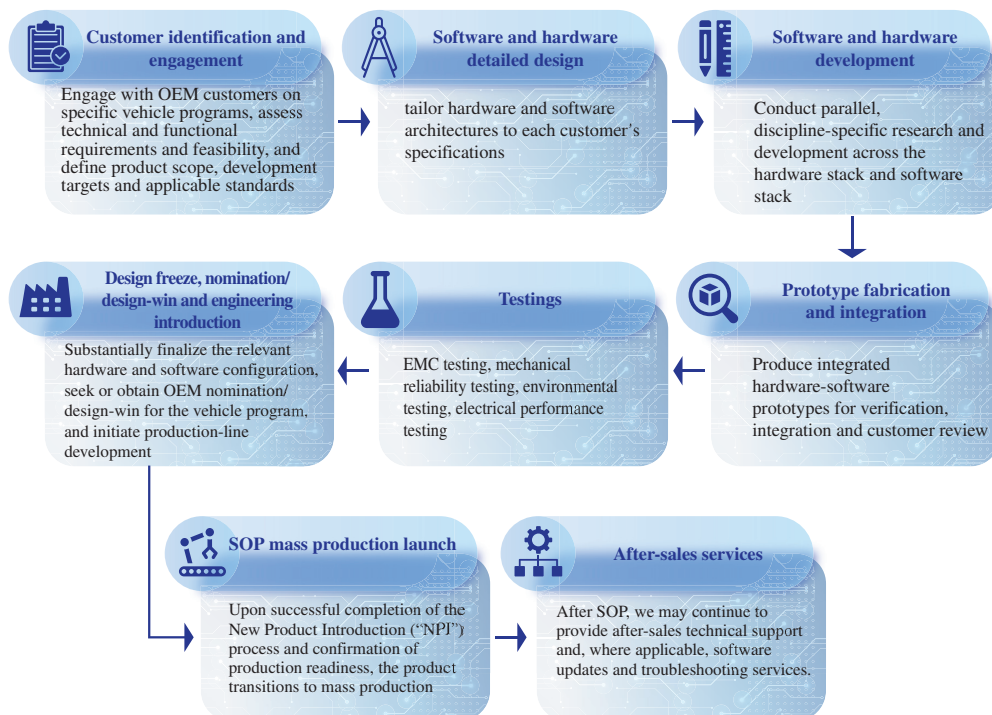
Beyond this initial fit-and-capability assessment, OEM customers will also look at whether the supplier can reliably bring that solution from development into actual vehicle launch. This includes whether the supplier has proven products, can complete the required testing on time, can meet quality and regulatory requirements for different markets, and can continue to provide stable supply and technical support after the vehicle is launched. In practice, this is similar to choosing not just a good design, but a team that can also manufacture it steadily, fix problems quickly and support upgrades later. For example, some OEM customers focus heavily on whether a solution can work smoothly with other systems in the car, while others place more weight on whether it can meet overseas regulatory requirements or whether the supplier can respond quickly if a key component needs to be replaced.

OEM customers also value suppliers that are willing and able to work closely with them throughout the process, especially when the vehicle model requires tailored features or repeated adjustments. As a result, supplier selection is usually based on overall fit, reliability, cooperation and delivery capability, rather than on any single specification. Different customers may emphasize different points depending on the type of vehicle, target market and launch plan. For this reason, even if a supplier is involved in development work or is selected at an earlier stage, this does not necessarily guarantee future purchase orders, shipment volume or long-term revenue contribution, all of which remain subject to the OEM customer’s final production and commercialization decisions.

Business Workflow

The chart below demonstrates our business work flow.

Our Business Work Flow



BUSINESS

Our business process generally comprises two stages. The first is the pre-commercial development stage, which covers the steps from requirement definition, solution design and development, prototype preparation and testing to design finalization and production-readiness preparation. This stage is a model-specific research and development and engineering collaboration with the OEM customer and is generally initiated through our direct engagement with OEM customers in relation to specific vehicle programs. During this stage, we may provide research and development, customization, integration, testing, validation and related engineering support services. Depending on the relevant customer and commercial arrangements, such work may be separately charged as technical service fees, in which case the relevant revenue is recognized upon completion and acceptance of the agreed deliverables in accordance with the relevant contractual arrangements, or may be provided as part of the broader commercial arrangements supporting nomination/design-win and subsequent mass production. Technical service fee income generated at this stage forms part of our ordinary and usual course of business, as such pre-commercial development-stage work is generally necessary before a vehicle program can proceed to commercialization. While the amount of technical service fee income recognized in a particular year/period may vary depending on the number, scope and billing arrangements of vehicle programs at this stage, the underlying service activity is recurring in nature.

The second is the commercialization stage, which begins after the relevant solution has passed validation, completed production-readiness preparation and entered SOP/mass production launch. “Mass production” refers to this commercialization and supply stage. At this stage, we deliver our solutions in product form and generate revenue primarily from sales of goods based on actual deliveries, purchase orders and the OEM customer’s production schedule. Although we may internally refer to a particular vehicle program or development engagement as a “project,” our business is not project-based in the sense of construction or engineering contracting.

Where technical service fee income is generated for a particular vehicle program but the relevant program does not ultimately proceed to commercialization, this is, in the vast majority of cases, attributable to the OEM customer’s own changes in model planning, technical requirements, launch schedule or commercialization decision, rather than a failure by us to complete the agreed development work or a lack of production capability on our part.

Our business process generally moves from customer identification and engagement, requirement definition and solution architecture, through software and hardware design and development, prototype fabrication, testing and validation, design freeze and nomination/design-win, SOP/mass production launch and commercialization and accompanying after-sales services.

At the outset, we identify and engage with OEM customers in relation to specific vehicle programs, understand their technical, functional, packaging, compliance and timing requirements, and assess the feasibility of the relevant solution. We then define the product scope and development standards and tailor the relevant hardware and software architecture to the OEM customer’s vehicle-model-specific requirements.

After that, we conduct software and hardware detailed design and carry out parallel development of the hardware stack and software stack. Once the relevant prototype is fabricated and integrated, we conduct testing, validation and iterative refinement, including EMC testing, mechanical reliability testing, environmental testing and electrical performance testing, to confirm that the relevant solution can satisfy the OEM customer’s requirements and vehicle-program specifications.

Following successful development and validation, the relevant vehicle program proceeds to design freeze and engineering introduction. At or around this stage, the OEM customer may issue a nomination or design-win, which represents the OEM customer’s selection and approval of our solution for the relevant vehicle model or program. A design-win is an important milestone because it indicates that our solution has been selected for the relevant vehicle program, but it does not itself guarantee purchase orders, shipment volume or revenue realization, all of which remain subject to the OEM customer’s ultimate commercialization decision, production schedule and the market performance of the relevant vehicle model.

BUSINESS

After design freeze and nomination/design-win, we initiate production-line development and deliver off-tooling samples built on production tooling, together with the relevant validation reports, to confirm design and process readiness before mass production. Following completion of the New Product Introduction process and confirmation of production readiness, the relevant vehicle program enters SOP/mass production launch, at which point we begin commercial supply and generate revenue primarily from sales of goods based on actual deliveries, purchase orders and the OEM customer’s production schedule. Following commercialization, we may also provide ongoing after-sales technical support and, where applicable, software updates and troubleshooting services for the relevant solutions.

The duration and sequencing of these steps vary depending on the scope of customization, the validation requirements and the OEM customer’s vehicle development schedule. In general, from substantive engagement on a vehicle program to initial revenue generation, it may take approximately 9 to 24 months, with an average duration of approximately 12 months. More broadly, it typically takes two to three years to establish full collaboration with a new OEM customer and translate new customer development efforts into stable, scaled shipments and meaningful revenue contributions.

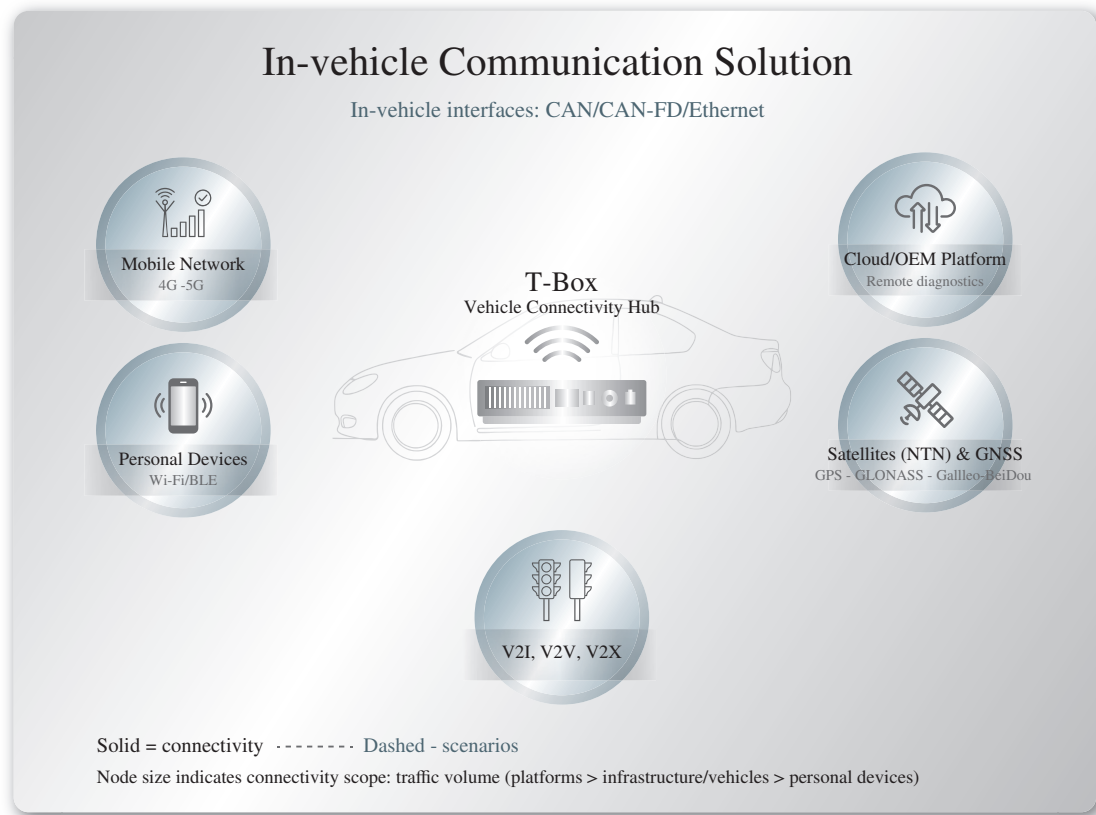
A nomination or design-win generally refers to the OEM customer’s selection and approval of our solution for inclusion in a specific vehicle model or program, typically after substantive technical engagement and before commercial supply begins. In our business workflow, this milestone generally occurs at or around the design freeze/engineering introduction stage, when the relevant technical solution has been substantially finalized and the vehicle program moves toward production-readiness preparation. A nomination or design-win is an important milestone in this process, but it does not itself guarantee purchase orders, shipment volume or revenue realization, all of which remain subject to the OEM customer’s ultimate commercialization decision, production schedule and the market performance of the relevant vehicle model. After commercialization, the relevant design-win generally contributes revenue over the production cycle of that vehicle model. According to F&S, the typical lifecycle of a vehicle model is approximately six to eight years, and OEM customers do not typically change the supplier of these solutions frequently after design freeze and start of production, because doing so would usually require redesign, revalidation and additional time and cost. In selecting an in-vehicle intelligent connectivity solution for integration into the design and development of a new vehicle model, OEM customers generally consider factors such as the supplier’s technical capability, product performance and reliability, ability to satisfy vehicle-model-specific customization and validation requirements, quality control and certification capability, production capacity and delivery capability, responsiveness and engineering support, pricing and overall commercial terms, and prior cooperation track record.

In-vehicle Communication Solution

Our in-vehicle communication solution is centered on the T-Box, which serves as the vehicle’s external connectivity hub. A T-Box is a compact automotive electronic control unit installed inside the vehicle. It can be viewed as a small in-vehicle computer housed in a sealed automotive-grade enclosure, with typical control-unit examples being compact enough to be mounted in protected vehicle locations such as the dashboard area or under the rear seat, depending on the OEM’s architecture and packaging arrangement. Because installation position and housing size vary by vehicle models, the T-Box should not be understood as a single universal box with one fixed size or one fixed mounting position across all vehicles. Instead, it is a compact hardware unit designed to fit the relevant OEM’s electrical and mechanical layout.

As illustrated in the chart below, the T-Box sits at the center of the solution and links the vehicle to five principal directions of connectivity: the mobile network, the cloud or OEM platform, satellite positioning systems, nearby personal devices, and broader road-side or vehicle-interaction scenarios. At the same time, it connects inward to the vehicle’s own electronic systems through in-vehicle interfaces such as CAN, CAN FD and Ethernet. In other words, the T-Box acts as the “communication bridge” between the inside of the vehicle and the outside world. It allows the vehicle to send data outward and receive instructions, updates or other information from external systems, thereby supporting connected functions throughout the vehicle lifecycle, including vehicle condition monitoring, vehicle locating, remote control and software updates.

BUSINESS



Our in-vehicle communication solution should also be understood in the context of a typical ICV. Within the broader vehicle architecture, our in-vehicle communication solution forms the external connectivity layer of the connectivity domain. It is the layer through which the vehicle communicates with cloud platforms, external networks, surrounding vehicles, road infrastructure and, where applicable, personal devices. In the cockpit domain, it supports connected navigation, infotainment, voice and App-based interaction. In the intelligent driving domain, it supports the transmission and coordination of information used in certain assisted-driving and vehicle-to-everything scenarios. In the chassis and power domains, it supports functions such as remote monitoring, software updates and operating-condition checks. In the vehicle body domain, it supports connected access, remote control and other intelligent body functions. In this sense, our in-vehicle communication solution is best understood as a key hub connecting the vehicle’s internal and external networks.

From a physical and functional perspective, a T-Box generally includes a protective housing, an internal printed circuit board assembly, communication-related hardware such as a cellular modem and antennas, positioning-related components such as a GNSS receiver, processing and control components such as a processor or MCU, memory, power-management components, and interfaces that connect it to the vehicle’s internal networks. In other words, the T-Box is not merely an antenna or a communication module. It is an integrated hardware-and-software unit into which the relevant operating logic, communication software, control functions and interface adaptation are loaded so that the unit can communicate outward, manage data inward and work reliably as part of the vehicle’s broader electronic architecture.

BUSINESS

The working logic of our in-vehicle communication solution can therefore be understood in two directions. In the outward direction, the T-Box connects the vehicle to external networks and systems. It can use the mobile network to transmit vehicle data to cloud or OEM platforms, receive software packages or commands, and support connected services after delivery. It can use GNSS to determine the vehicle’s position and provide location-related data for navigation, emergency response and other location-based functions. It can also connect with nearby personal devices through technologies such as Wi-Fi and BLE where required by the relevant vehicle functions. In the inward direction, the T-Box exchanges information with the vehicle’s internal systems through interfaces such as CAN, CAN FD and Ethernet. This allows information from the vehicle’s subsystems to be collected, processed and transmitted outward, and allows information or instructions received from outside the vehicle to be verified, routed and delivered to the relevant in-vehicle systems in an orderly manner.

Our in-vehicle communication solution is not only a cellular communications device. It combines communication capability, positioning capability, in-vehicle interface capability and system-control capability. For example, our in-vehicle communication solution supports GNSS-based positioning, CAN/CAN FD/Ethernet interfaces, an MCU for managing lower-bandwidth vehicle-side data exchange, and a power supply system with backup-battery support. This combination is important because, in real vehicle use, the challenge is not merely to “connect to a network,” but to keep the vehicle connected and responsive under moving, high-temperature, vibration-prone and sometimes weak-network conditions, while also maintaining orderly data exchange with internal vehicle systems.

Our in-vehicle communication solution supports a range of communication technologies, including 4G, 5G, Wi-Fi and BLE, as well as multiple satellite positioning systems such as GPS, GLONASS, Galileo and Beidou. This flexibility matters because OEMs and vehicle models differ in their communication needs, data-load requirements, positioning requirements and cost targets. In many mainstream connected functions, a 4G T-Box is sufficient to support fundamental services such as vehicle data transmission, remote vehicle condition checks, software updates, connected navigation and other telematics functions. A 5G T-Box performs the same basic role, but with greater bandwidth, lower latency and greater ability to support data-intensive and more real-time scenarios. The difference between a 4G T-Box and a 5G T-Box is that the 5G version provides a stronger communications foundation for richer data exchange, more demanding real-time services, and certain more advanced intelligent-driving- and V2X-related scenarios. At the same time, 4G and 5G are expected to coexist for a period because they serve different cost, maturity and functional requirements across vehicle programs.

Application scenarios

The application scenarios of our in-vehicle communication solution may be understood progressively as V2V, V2I and V2X.

At the first level, V2V refers to the direct or near-direct exchange of selected information between vehicles. In practical terms, this may include data such as speed, position or movement status. The purpose is to help vehicles better understand surrounding road conditions and support safer and more coordinated driving responses. To make this useful, the information must be transmitted and processed quickly enough to remain relevant while both vehicles are moving. The role of the T-Box in this scenario is to serve as the vehicle’s communication endpoint and data bridge, working together with positioning capability and the vehicle’s internal systems so that external information can be translated into usable inputs for the relevant vehicle functions.

At the second level, V2I refers to communication between the vehicle and roadside or traffic-management infrastructure, such as traffic lights, roadside units or other traffic systems. Compared with V2V, this is broader because the vehicle is no longer exchanging information only with another moving vehicle, but with the surrounding transport system. This can support functions such as traffic-condition updates, signal-related information, warning prompts and more coordinated traffic flow. The technical challenge here is not only speed, but also stable compatibility and coordination between the vehicle-side system and external infrastructure systems.

BUSINESS

At the third level, V2X expands the scope further. It includes not only V2V and V2I, but also broader interaction with cloud resources, other connected road users and the surrounding digital traffic ecosystem. This is the broadest layer of connected mobility, and it is where the T-Box’s role as a central connectivity hub becomes most important. At this stage, the vehicle is no longer treated as an isolated machine, but as part of a larger networked system in which cloud services, vehicles, infrastructure and other actors exchange information to support safety, efficiency and user experience. This is also why in-vehicle communication solutions are often described in industry materials as the technical support for intelligent connectivity, enabling internal and external information interaction among humans, vehicles, roads and the cloud.

Case study 1

We developed a cutting-edge, C-class flagship sedan project for one of China’s leading OEM automotive customers. The vehicle was designed for intelligent driving and connected vehicles, with a strong emphasis on seamless communication, real-time data exchange, and ADAS. The challenge was clear: the vehicle needed a reliable and high-performance communication system that could support these technologies, ensure smooth connectivity, and enable the full range of intelligent driving features.

To meet these requirements, we provided a comprehensive in-vehicle communication solution, focusing on developing a network terminal, known as the T-Box. This device serves as the heart of the vehicle’s communication system, ensuring that it could reliably connect to the cloud, provide remote vehicle condition checks, and support real-time updates. It was also designed to enable communication between the vehicle and external systems, such as traffic infrastructure and other vehicles, which is essential for advanced safety features like collision avoidance and navigation assistance.

The project kicked off in April 2024, when we began working with the OEM to develop the necessary hardware and software. Over the following months, our teams collaborated closely with the customer to ensure the solution met their specific requirements. By December 2024, we had completed the hardware development and conducted a series of performance tests, including static and dynamic tests on the vehicle. These tests ensured that the communication system performed reliably under real-world conditions, even in challenging scenarios like extreme weather or high-speed driving. In late 2024, we had completed all the necessary software development and testing, including integration with the customer’s intelligent driving systems. Our solution enabled high-level features such as semi-autonomous driving, including lane-keeping assistance, adaptive cruise control, and automatic parking assistance. These features were made possible by the T-Box’s ability to synchronize data between the vehicle’s sensors, navigation system, and ADAS, creating a seamless driving experience.

Our solution, armed with the integration of 5G technology, used to provide ultra-fast data speeds and low latency, crucial for supporting features such as autonomous driving and high-definition in-vehicle entertainment. Unlike previous generations of vehicle communication systems, which used 4G or older technologies, our 5G-enabled T-Box could handle much larger data volumes, supporting real-time, high-speed data transmission. This made it possible for the car to exchange information quickly with other vehicles, infrastructure, and even smart city systems, greatly enhancing the safety and efficiency of driving.

We also ensured that the T-Box was equipped with high-precision location tracking capabilities, enabling features like real-time navigation, accident detection, and emergency services. The vehicle could automatically send a distress signal with its exact location to emergency responders in the event of an accident, reducing response times and potentially saving lives.

The vehicle’s public debut took place in July 2025, and the customer officially launched the new flagship sedan. The vehicle was met with great enthusiasm, as it offered not only enhanced safety and intelligence but also an improved user experience through seamless connectivity and smart features. By December 2025, over 55 thousand units had been delivered to end customers, marking a significant milestone in the customer’s success in the market.

BUSINESS

Case study 2

In the dynamic landscape of automotive innovation, a prominent domestic OEM sought to enhance the safety and connectivity of its latest flagship SUV. The objective was clear: to integrate a robust communication system capable of supporting advanced features, including real-time data exchange and emergency response capabilities. This collaboration led to the development of a comprehensive solution, combining our proprietary technology platform with both in-vehicle communication and E-call functionalities. The E-call solution ensures that in the event of a collision, the vehicle automatically sends an alert to emergency services, providing them with the vehicle’s exact location and other critical information.

The project commenced in April 2021, with our company designated as the project partner. Over the subsequent months, we worked closely with the OEM to define the project requirements. By June 2021, the scope was expanded to include the E-call feature, aimed at automatically alerting emergency services in the event of a collision. This addition underscored the commitment to enhancing vehicle safety and providing peace of mind to drivers. The development process involved rigorous testing to ensure the system’s performance and reliability under various conditions. By August 2022, we had completed hardware development and all necessary performance verification tests. The software development was synchronized with hardware progress, and comprehensive testing, including static and dynamic road tests, was conducted to validate the system’s functionality.

To meet project requirements, we delivered a T-Box that integrated seamlessly with the vehicle’s existing systems. The T-Box was built upon our technology platform, ensuring reliable communication capabilities. It featured a 4G LTE module, facilitating high-speed data transmission essential for real-time services. Additionally, the system was designed to support the E-call function, enabling automatic emergency alerts with precise location information. In December 2022, the flagship SUV made its global debut, showcasing the advanced features enabled by our T-Box. The vehicle was officially launched in February 2023, and as of the Latest Practicable Date, over 100,000 units had been delivered to end customers.

Case study 3

This project is an L4 robotaxi full-vehicle platform jointly developed by an automotive company and a leading internet company, aiming to build an intelligent vehicle robot equipped with end-to-end autonomous driving capabilities to support multi-scenario commercial operations (such as passenger transport, freight delivery, and food delivery).

Leveraging our expertise in in-vehicle communications, we undertook the following core functions in this project: (i) intelligent connected communication infrastructure support, where we deliver cellular network connectivity (4G/5G) for the entire vehicle and serve as the data channel connecting the vehicle to the cloud; (ii) vehicle-cloud synergy, where we support high-frequency, low-latency vehicle-cloud data exchange required for L4 autonomous driving, including high-definition map updates, remote takeover and fleet dispatching; (iii) operational data processing support, where we support core robotaxi operational functions such as real-time vehicle status reporting, order dispatching, fare data backhaul and remote control command execution; and (iv) regulatory compliance assurance, where we ensure our T-box solutions comply with mandatory regulatory requirements on cybersecurity, data security and emergency call for the target markets.

We provided end-to-end technical support throughout this project, from project initiation and scheme design, through prototype development and design/product validation, to mass-production delivery and post-sales operation and maintenance.

E-call Solution

E-call, short for Emergency Call, is an essential service initially developed by the EU as part of its efforts to improve road safety and emergency response during traffic accidents or other emergencies. The solution was introduced in the EU to ensure that emergency services are alerted immediately after an accident, significantly reducing response times and increasing the chances of saving lives. Beyond the EU, the E-call solution is being adopted globally, with regulations now requiring it in various countries. Currently, numerous countries have enacted or are preparing to implement mandatory E-call solutions for vehicles, reinforcing its importance in improving global road safety. Our E-call solution is designed to comply with international regulations and certifications such as the UNECE’s Regulation No. 144, EU’s Regulation (EU) 2015/758 and its amendment Regulation (EU) 2017/79, Saudi Arabia’s certification and UAE’s standard, ensuring that vehicles equipped with our system meet the safety requirements globally. Our E-call solution is integrated into the T-Box or, in some cases, is provided as standalone E-call terminal. The chart below summarizes global primary E-call certification requirements by covering countries/regions.

BUSINESS

E-call system: Global Regulatory Certification



When an accident occurs, the E-call solution automatically triggers a message to the nearest public safety service center (112 in the EU), providing critical information such as the vehicle's location, movement parameters, accident timing, and Vehicle Identification Number (“VIN”). This rapid transmission of data enables emergency services to respond promptly, significantly improving the chances of swift rescue and medical treatment. A key feature of the E-call solution is its ability to establish duplex (two-way) voice communication between the vehicle occupants and emergency operators. This allows the operator to verify accident details, assess the severity of the situation, and provide immediate instructions to the driver or passengers. This real-time communication is particularly vital when the occupants may be incapacitated and unable to call for help, thus enhancing rescue effectiveness and reducing fatalities.

The transmission of critical information during an emergency is made possible by the Minimum Set of Data (“MSD”), a standardized format that conveys essential accident data, including the vehicle's GPS location and other relevant details. In areas with low connectivity or no data network, the E-call solution can still send this data via SMS, ensuring that communication is maintained even in remote or network-deprived locations.

Our E-call solutions offer advantages in safety, speed, and reliability, addressing the unique needs of modern vehicles and the challenges posed by emergency situations. These solutions are engineered to ensure that, in the event of a collision, as much critical information as possible is transmitted to rescue and support teams without delay. Below are the key benefits that distinguish our system:

- **Faster, more accurate rescue response:** Upon detecting an accident, our E-call solutions instantly transmit the vehicle's exact location along with critical data, such as the accident timing, and VIN. This rapid transfer of information significantly reduces the time it takes for emergency services to locate the vehicle and begin rescue efforts, which is particularly crucial when occupants are injured or unconscious. By ensuring that the necessary data reaches emergency teams immediately, we enhance the speed and accuracy of the rescue response.

BUSINESS

- **Real-time two-way voice communication:** In addition to automated alerts, our E-call solutions enable real-time two-way communication between the vehicle occupants and emergency operators. This allows operators to confirm accident details, assess the severity of the situation, and provide timely, life-saving instructions to the driver or passengers. This functionality is especially valuable when occupants may be incapacitated and unable to make contact themselves, ensuring immediate assistance in critical moments.
- **Robust and resilient hardware design:** Our E-call unit is built to remain fully operational even after severe collisions. It features impact-resistant casings, durable internal architecture, and redundant power supply mechanisms, ensuring that the system continues to function reliably even if the vehicle’s primary systems are compromised. This robust design maximizes the chances of successful data transmission and connectivity, which are vital for effective emergency communication when it is needed most.
- **Optimized for reliability in adverse conditions:** Our E-call solutions integrate signal integrity technologies and self-monitoring capabilities, ensuring reliable operation in extreme conditions such as severe weather, remote locations, or high-stress accident scenarios where traditional systems might fail. These technologies, backed by rigorous testing, guarantee optimal performance, providing OEMs and users with confidence in the system’s robustness.

Application scenarios

Fully compliant with E-call regulations worldwide, including the EU, UAE, UK, Saudi Arabia, Israel and every market our OEM customers enter, our E-call solution is pre-configured to meet each region’s traffic-safety and homologation requirements.

Case Study

In July 2022, we launched a project with a leading domestic OEM in the domestic market. At the same time, the OEM began its global expansion, aiming to make the vehicle available in key overseas markets such as Europe, the UAE, and Israel. To ensure the vehicle met international safety standards and regulatory requirements, the OEM sought an advanced communication solution that could support not only everyday connectivity but also provide a life-saving emergency response feature.

We were selected to provide the E-call solution for this model. The project was initiated in late 2022, and by February 2023, the product was defined as an information communication module assembly, integrating 4G network communication capabilities and E-call functionality as the core of the vehicle’s intelligent terminal system. By June 2023, we completed the hardware development and successfully conducted all Design Verification Plan (“DVP”) performance tests. In July 2023, we achieved the necessary certifications to meet the regulatory standards for multiple markets, including the EU 2015/758, as well as similar regulations in the UAE and Israel. E-call is a critical feature in these regions, mandated by law for all new vehicles, ensuring that emergency services are automatically notified in the event of a serious accident. For example, in the EU, the regulation requires that vehicles automatically send an MSD, including the vehicle’s location, to PSAPs to facilitate timely emergency responses. In September 2023, the first batch of vehicles equipped with the E-call solution obtained Israeli certification, meeting both local regulations and safety standards. By January 2024, we completed real-world vehicle testing in Europe, including various scenario-based assessments to ensure that the system operated effectively under different conditions. Additionally, the E-call solution underwent certification for vehicle integration in February 2024, confirming that the system could function properly in the event of an accident. As of the Latest Practicable Date, more than 100,000 units of the vehicle had been shipped globally, with our E-call solutions operational in each one, successfully fulfilling its mission of improving vehicle safety.

BUSINESS

This case highlights our ability to meet the complex regulatory requirements of various international markets, ensuring that the E-call solution not only adheres to local legal frameworks but also provides peace of mind for both drivers and OEMs. By navigating these diverse regulatory landscapes, we reinforced our position as a trusted partner in the development of certified automotive technologies, ensuring the safety and compliance of vehicles across different regions.

Sensing and Domain Control Solution

Our sensing and domain control solution focuses on helping a vehicle manage information flow and secure access inside the vehicle. In its current commercialized form, this solution category principally includes our central gateway (“CGW”), and our short-range digital-key-related modules, such as Bluetooth Low Energy (“BLE”), and Near Field Communication (“NFC”) modules. In this context, “sensing” mainly refers to proximity and access sensing used for digital-key and related control functions, rather than perception sensors used in autonomous driving. These products combine automotive-grade hardware and embedded software so that different electronic systems in a vehicle can communicate with each other in an orderly and secure manner, and authorized users can unlock, enter and start the vehicle more conveniently and safely.

The CGW is the vehicle’s internal traffic director. Modern vehicles contain many electronic control units for functions such as the cockpit, body control, powertrain, chassis and safety. These units use different in-vehicle communication protocols and generate large volumes of data. The CGW sits between these subsystems, receives messages from them, determines where those messages should go, translates them where necessary, and forwards them to the correct destination. In simple terms, it functions as an internal router and security checkpoint for the vehicle. By concentrating these routing and control functions in one unit, the CGW helps reduce duplicated hardware, simplifies system integration, improves communication efficiency and supports the vehicle’s transition toward more centralized electronic architectures.

Our digital-key-related modules mainly address short-range communication and secure vehicle access. Our BLE modules allow the vehicle to detect and communicate with an authorized smartphone, smart key or other approved device over a short distance and can support functions such as remote locking and unlocking, vehicle locating and other convenience features. Our NFC modules support very-close-range secure authentication, for example when a user taps a smartphone or other authorized device near the vehicle to unlock or start it. These functions depend not only on radio chips, antennas and other hardware components, but also on embedded software that manages identity verification, encrypted communication, command execution and coordination with the relevant control units in the vehicle. Taken together, these modules help OEM customers provide more convenient and software-enabled access functions without relying solely on traditional physical keys.

From a working-principal perspective, this solution is an integrated hardware-software system. On the hardware side, it includes processing chips, communication interfaces, radio modules, antennas and automotive-grade circuit design. On the software side, it includes embedded basic software, communication management, protocol handling, diagnostics and security logic. During vehicle operation, the software determines how data should be routed within the vehicle, whether a device or user is authorized, and how relevant commands should be passed to the appropriate control unit. This combination of hardware and software is important because vehicle functions must operate reliably under demanding automotive conditions and must fit each OEM customer’s particular electrical architecture, software environment and vehicle-model requirements.

CGW and T-Box may overlap in certain limited functions, but their primary roles are different. Both are communication-related control units, and both may participate in functions such as diagnostics, cybersecurity, software-update coordination and certain message-forwarding tasks. In some vehicle programs, they may also be closely linked so that data can move more efficiently between in-vehicle networks and external networks. However, the CGW mainly manages communication inside the vehicle and acts as the internal routing and security hub, while the T-Box mainly manages communication between the vehicle and the outside world, such as the cloud, mobile networks and remote service platforms. Put differently, the CGW is principally inward-facing, whereas the T-Box is principally outward-facing.

BUSINESS

As vehicle architectures continue to evolve, OEM customers increasingly seek solutions that can support more centralized control, more secure in-vehicle data exchange and more convenient digital access functions. Our current sensing and domain control solution is designed to address these needs through our mass-produced CGW products and digital-key-related modules. In addition, we are continuing to develop Ultra-Wideband (“UWB”) related technologies for higher-precision vehicle access and positioning applications. UWB technology expands beyond the single application scenario of traditional digital keys. Leveraging centimeter-level high-precision ranging, strong resistance to multipath interference, low power consumption, and inherent radar sensing characteristics, it is evolving towards integrated communication and sensing. Based on a single-chip RF architecture, it can simultaneously achieve multi-functional integration such as secure communication, accurate ranging, in-cabin liveness detection, and intelligent interaction, highly adaptable to the diverse needs of complex in-vehicle scenarios. As of the Latest Practicable Date, however, such UWB-related products remained under development and had not yet entered mass production.

Case Study

In June 2023, a leading domestic OEM commenced a new off-road hybrid vehicle program under one of its brands. For this vehicle program, the OEM adopted a standalone CGW for the first time, with the objective of enabling the vehicle’s major systems to communicate with each other in a more coordinated and reliable manner. We were selected to develop and supply the CGW for this model.

Development of the project commenced in July 2023. During the following ten months, we worked closely with the OEM’s research and development, quality and procurement teams to complete product design, validation and vehicle testing. The vehicle was officially launched in October 2024, and as of October 2025, its cumulative shipment volume had exceeded 31 thousand units.

In simple terms, the CGW served as the vehicle’s internal communication hub. Modern vehicles contain many electronic systems, such as those for body control, cockpit functions, power management and safety functions. Our CGW helped these systems exchange information in an orderly manner and pass signals to the right destination, so that the vehicle could operate more smoothly and efficiently as a whole.

This case study illustrates how our sensing and domain control solution can be applied in a practical vehicle program. For the OEM, our CGW helped improve coordination among different vehicle systems, enhanced the stability and efficiency of in-vehicle communication, and provided a hardware-and-software integrated product that could also be adapted for use in other vehicle models.

Technical Services

Technical services primarily represent development-stage services that we provide to OEM customers, and, to a lesser extent, other automotive industry participants, based on their project-specific technical requirements. These services are closely connected with our customized solution delivery model, but are separately distinguishable from product sales. In particular, while our product sales revenue is generated from the delivery of automotive-grade components after the relevant vehicle program enters commercialization, our technical services revenue is generated from the research, development, customization, integration, testing, validation and related engineering support work that we perform before, or separately from, mass production.

We generally provide technical services on a research project basis. For each research project, we typically enter into a separate technical service agreement with the relevant customer, which sets out the scope of work, key development tasks, project timetable, acceptance standards and deliverables. These agreements generally specify the project name or vehicle program, the relevant product or technical module, the agreed development or service scope, the contract fee, payment milestones, acceptance arrangements, confidentiality obligations and, where applicable, intellectual property arrangements. Payment milestones may vary by project, but are typically linked to execution of the agreement, delivery or acceptance of samples, completion of testing or certification milestones, and/or acceptance of agreed deliverables. For most research projects, the deliverables are related to a specific vehicle program and may include software-and-hardware integrated solution samples, customized software versions, hardware design outputs, technical drawings, sample products, testing and validation materials and other project-specific development results. For example, certain vehicle-program-based agreements required us to develop or support specific communication modules, T-Box products, E-call related modules, Bluetooth/digital key modules or other vehicle connectivity components, and the relevant deliverables were tied to specific development or validation milestones such as sample recognition, OTS/PESO/FESO review, PPAP-related procedures or customer acceptance. In certain cases, depending on the nature of the customer’s engagement, the deliverables may also consist of standalone software, technical documentation, testing/calibration results, certification-related support materials or other technical service outputs agreed with the customer.

BUSINESS

A typical research project relating to an OEM vehicle program begins when we are engaged to support the relevant vehicle model during the design-in and development stage. At this stage, we work with the OEM customer to understand the vehicle model’s functional requirements, communication and network requirements, hardware configuration, software functions, packaging constraints and development timetable. For example, in certain projects during the Track Record Period, we were engaged to support the development of vehicle connectivity or communication modules for specific domestic or export vehicle programs, including projects involving information communication modules, T-Box certification and development work, E-call modules, and Bluetooth/digital key modules. Based on these requirements, we formulate the development plan and carry out software, hardware, structural and process development in parallel, including software version development and release, hardware design and bill-of-materials confirmation, structural design and sample preparation. Such research projects are generally intended to support the relevant vehicle program’s subsequent transition into SOP and mass production, although in a limited number of cases, the relevant vehicle program may not ultimately proceed to, or may change its plan for, mass production due to the customer’s own commercial, product planning or other reasons. Accordingly, the research project stage is best understood as the pre-commercial technical work through which the relevant solution is customized, tested, validated and accepted before it can be used in the customer’s subsequent commercialization arrangements.

During the research project process, we provide ongoing customization, integration, testing, validation and related engineering support. We prepare and deliver samples at different development stages, assist the customer in conducting functional, network, electromagnetic compatibility, environmental, mechanical and electrical performance tests, and make adjustments or iterations based on test results and customer feedback. These steps are intended to ensure that the relevant solution can meet the customer’s functional, reliability, safety and acceptance requirements for the relevant vehicle program. In addition to these vehicle-program-based research projects, we also undertake a limited number of standalone research projects or technical support engagements that focus on resolving specific technical issues for OEM or non-OEM customers. Such projects may involve a specific software function, testing or calibration task, system support, technical documentation or other discrete technical deliverables, and may not involve any subsequent SOP or mass production stage. For example, during the Track Record Period, we undertook standalone projects relating to a national-standard GB32960 testing platform, smartphone standard testing for intelligent connected vehicles, and other testing or system-support work. We also conduct real-vehicle road testing across multiple overseas target markets, providing regulatory compliance testing and on-road validation services for PRC automotive companies that export intelligent vehicle products, supporting customers in overseas market access certification process and localization adaptation verification. These projects were not necessarily linked to a specific product to be supplied by us in mass production; instead, they focused on providing a defined technical output, such as a testing platform, testing and verification results, system maintenance or upgrade support, training or technical documentation. Revenue from research projects, where separately charged, is recognized upon completion and acceptance of the agreed deliverables in accordance with the relevant contractual arrangements.

During the Track Record Period, we undertook 71 research projects under our technical services business, covering approximately 32 customers (primarily OEM customers and, to a lesser extent, other automotive industry participants.) The majority of these projects were completed within 12 months, with contract values ranging from RMB10,000 to approximately RMB3.0 million per project, depending on the scope of work, level of customization, testing and validation requirements, and whether the project involved a single technical task or a broader vehicle-program-based development scope. By solution scope, 23 research projects related solely to in-vehicle communication solutions, 19 related solely to E-call solutions, and four related solely to sensing and domain control solutions. In addition, 23 research projects were standalone technical service projects that did not directly correspond to a specific solution category, such as projects focused on testing, calibration, platform support, certification-related support, software functions or technical documentation. Two research projects involved a combination of two solution categories, primarily reflecting vehicle programs where the customer required integrated development work across more than one solution.

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The table below presents changes in the number of research projects for our technical services during the Track Record Period.

	For the year ended December 31,			For the five months ended May 31,
	2023	2024	2025	2026
Opening number of projects ⁽¹⁾	7	21	14	10
Add: new projects awarded ⁽²⁾	21	17	10	16
Less: projects completed ⁽³⁾	7	24	14	12
Ending number of projects⁽⁴⁾	21	14	10	14

Notes:

- (1) Opening number of projects represents projects awarded but not yet completed at the beginning of each year/period.
- (2) New projects awarded refers to projects that commenced during each respective year/period.
- (3) Projects completed refers to projects for which we have completed the project handover, certification and settlement with our customers within the relevant year/period.
- (4) Ending number of projects is derived as the opening number plus new projects awarded, minus completed projects for each respective year/period.

The table below presents changes in the value of our research projects for technical services during the Track Record Period and up to the Latest Practicable Date.

	For the year ended December 31,			For the five months ended May 31,	From June 1, 2026 up to the Latest Practicable Date
	2023	2024	2025	2026	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening project value ⁽¹⁾	1,143	10,934	12,202	8,914	8,180
Add: new contracted project value	10,874	15,346	10,310	5,663	2,395
Less: completed project value	1,083	14,078	13,598	6,397	699
Ending project value⁽²⁾	10,934	12,202	8,914	8,180	9,876

Notes:

- (1) The opening project value represents the total contract value of projects awarded but not yet completed at the start of each year/period.
- (2) The ending project value reflects the portion of estimated revenue for projects that remain uncompleted at the end of each year/period.

The project value calculation starts with the total contract value of projects awarded but not yet completed at the beginning of the period. We add the estimated contract values of new projects awarded and deducted estimated contract values of completed projects for each year/period, yielding the ending value to be carried forward.

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To meet different technical requirements between export vehicle models and domestic and other general vehicle models, we classify our research projects into two distinct categories, comprising technical services for export models and those for domestic and other general models. The following table sets forth a breakdown of our technical services revenue by whether the relevant research projects supported domestic and other general vehicle models or export vehicle models. During the Track Record Period, all of our revenue was generated from PRC customers. For the avoidance of doubt, references to “export vehicle models” refer to vehicle models manufactured or developed by our PRC customers for sale in overseas markets, and do not represent revenue generated from overseas customers.

	2023		For the year December 31,				For the five months ended May 31,			
	RMB'000		2024		2025		2025		2026	
		%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Technical services for export vehicle models.	–	–	10,267	74.9	11,350	83.5	1,170	42.4	1,386	21.7
Technical services for domestic and other general vehicle models	1,083	100.0	3,435	25.1	2,248	16.5	1,590	57.6	5,011	78.3
Total	1,083	100.0	13,701	100.0	13,598	100.0	2,760	100.0	6,397	100.0

As shown in the table above, technical services revenue relating to export vehicle models increased significantly from nil in 2023 to RMB10.3 million in 2024 and further to RMB11.4 million in 2025, representing 74.9% and 83.5% of our technical services revenue in 2024 and 2025, respectively. Our technical services revenue relating to export vehicle models increased from RMB1.2 million for the five months ended May 31, 2025 to RMB1.4 million for the same period in 2026, as a result of changes in OEM customers’ production schedules and vehicle-model mix. Such trend was generally in line with the growth of our E-call solutions during the Track Record Period, as the development and validation of E-call related functions were mainly driven by PRC OEM customers’ requirements for export vehicle programs. In particular, our E-call solutions revenue increased significantly during the Track Record Period, and our project movement also reflected an increase in research projects supporting export vehicle models and E-call related development, testing and validation work.

The following tables set forth particulars of our top five research projects under technical services for each year during the Track Record Period, in terms of revenue contribution.

For the year ended December 31, 2023

Rank	Project	Customer	Project type/solution scope	Contract sum (tax exclusive) (RMB'000)	Project commencement time	Project duration	Revenue recognition (RMB'000)	Year of revenue recognition
1.	Project A	Customer #1	In-vehicle Communication Solutions	700	July 2022	7 months	700	2023
2.	Project B ⁽¹⁾	Customer #2	In-vehicle Communication Solutions	144	August 2022	10 months	144	2023
3.	Project C	Customer #3	In-vehicle Communication Solutions	100	August 2023	2 months	100	2023
4.	Project D	Customer A	In-vehicle Communication Solutions	63	December 2022	3 months	63	2023
5.	Project E	Customer #4	In-vehicle Communication Solutions	47	May 2022	13 months	47	2023

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For the year ended December 31, 2024

Rank	Project	Customer	Project type/solution scope	Contract sum (tax exclusive) (RMB'000)	Project commencement time	Project duration	Revenue recognition (RMB'000)	Year of revenue recognition
1.	Project F	Customer #5	E-call Solutions	1,651	July 2023	8 months	1,651	2024
2.	Project G	Customer A	E-call Solutions	1,400	December 2023	13 months	1,400	2024
3.	Project H	Customer #6	E-call Solutions	1,260	October 2024	2 months	1,260	2024
4.	Project I	Customer #7	In-vehicle Communication Solutions	950	December 2023	2 months	950	2024
5.	Project J	Customer A	In-vehicle Communication Solutions	900	February 2023	12 months	900	2024

For the year ended December 31, 2025

Rank	Project	Customer	Project type/solution scope	Contract sum (tax exclusive) (RMB'000)	Project commencement time	Project duration	Revenue recognition (RMB'000)	Year of revenue recognition
1.	Project K	Customer H	E-call Solutions	2,970	September 2024	13 months	2,970	2025
2.	Project L	Customer H	In-vehicle Communication Solutions	2,600	July 2024	12 months	2,600	2025
3.	Project M	Customer H	Sensing and Domain Control Solutions	1,770	March 2025	6 months	1,770	2025
4.	Project N	Customer #8	E-call Solutions	1,470	February 2025	9 months	1,470	2025
5.	Project O	Customer #9	Standalone technical services	1,450	January 2025	4 months	1,450	2025

For the five months ended May 31, 2026

Rank	Project	Customer	Project type/solution scope	Contract sum (tax exclusive) (RMB'000)	Project commencement time	Project duration	Revenue recognition (RMB'000)	Year of revenue recognition
1.	Project P	Customer L	In vehicle communication solutions	4,000	February 2026	3 months	4,000	2026
2.	Project Q	Customer A	E-call solutions	900	July 2025	9 months	900	2026
3.	Project R	Customer #10	In vehicle communication solutions	472	February 2026	1 month	472	2026
4.	Project S	Customer #11	Standalone technical services	220	December 2025	2 months	220	2026
5.	Project T	Customer #11	Standalone technical services	193	January 2026	1 month	193	2026

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During the Track Record Period, we did not experience any loss-making research projects under our technical services business.

RESEARCH AND DEVELOPMENT

Our Research and Development department is a critical pillar of our business, comprising over 100 highly skilled professionals. We take pride in the technical excellence of our team, which includes several talented professionals with academic backgrounds from prestigious universities such as Zhejiang University. Our team possesses deep expertise in key automotive technologies, including AUTOSAR architecture development, intelligent hardware, software development, and big data applications.

We plan to recruit and retain relevant research and development talent to drive continuous breakthroughs in key frontier technologies such as domain controller algorithms and satellite communication. This will help improve the scalability, efficiency, and effectiveness of our research and development activities and further optimize and enrich our solution portfolio. Specifically, we will focus on maintaining the stability of core talent, ensuring high-tech research and development capabilities, and continuously adjusting our talent strategy to align with strategic development needs. We aim to ensure that employees see clear growth paths and feel rewarded for their contributions, thus ensuring a stable and strong talent pipeline to support our business.

Core technology

Our core technologies are built on a research and development model that combines project-based development with forward-looking solution and technology development. In practice, this means that we not only develop products in response to specific OEM requirements for particular vehicle programs, but also proactively invest in foundational technologies, modular platforms and next-generation functionalities based on expected market trends and technology evolution. This approach underpins all three of our major solution categories and enables us to translate our research and development capabilities into commercialized products with relatively short development cycles, strong adaptability and high reliability. We believe these capabilities place us at a relatively advanced level in the in-vehicle intelligent connectivity industry, particularly in areas such as modular software architecture, protocol-stack development and controller and gateway integration.

For our in-vehicle communication solutions, our core technological strength lies in our integrated software-hardware architecture and our ability to develop modular communication functions that can be deployed across different vehicle models and chip platforms. Our in-vehicle communication solutions are supported by 22 registered patents and 25 registered copyrights. Specifically, we have developed a highly automated embedded software integration platform and development toolchain covering code repository management, automated code checking, software building, unit testing, software integration testing and system functionality testing. On top of this foundation, we have established communication middleware and modularized product functionalities to decouple platform-level functions from differentiated application-level functions, which enhances software reusability, system stability and development efficiency across OEM programs. We have also independently developed CP AUTOSAR foundational software and certain AP AUTOSAR functional components, together with proprietary protocol stacks and algorithms for 5G, V2X, BLE and automotive Ethernet. These capabilities are reflected in representative patents such as *A 5G-based vehicle T-BOX protocol testing method, device, and medium* and *A multi-channel vehicle communication system and control method, device, and medium*, as well as software copyrights such as *T-box Vehicle Monitoring Terminal Software* and *Cloud-Based T-box Embedded Platform Software*.

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For our E-call solutions, our core technologies build on the same communication and system-integration foundation, but are further tailored to safety-critical and regulatory-oriented use cases. Our E-call solutions are supported by 4 registered patents. Specifically, our technological focus is on the reliability, configurability and validation capability of emergency communication functions. This is reflected in the patents *A vehicle ECU detection method, device and medium based on E-call* and *A dynamic configuration method, device, and medium for the E-call system*. These technologies support the stable operation, testing and flexible deployment of E-call functions across different vehicle platforms and application scenarios, and strengthen our ability to integrate emergency call, positioning, communication and vehicle control functions in a coordinated manner. This is particularly important because E-call products must perform reliably under emergency conditions and are subject to more stringent technical and validation requirements than ordinary connectivity modules.

For our sensing and domain control solutions, our core technologies are centered on controller coordination, gateway evolution, system security and the transition of vehicle electronic and electrical architectures from distributed structures toward domain-centralized and zonal architectures. Our sensing and domain control solutions are supported by 7 registered patents. Specifically, our research and development efforts focus on improving data transmission efficiency, software upgrade capability, controller coordination and integrated power management within increasingly complex vehicle architectures. These capabilities are reflected in representative patents such as *A domain controller time synchronization system* and *A service-oriented gateway upgrade method*, and are further supported by patents relating to gateway secure boot, vehicle regional controller integrated power distribution, Bluetooth-module testing and online programming detection. Together, these technologies strengthen our ability to deliver secure, upgradable and scalable products such as CGWs and to support the ongoing development of higher-level controller products and digital-key-related applications.

All of our core technologies and related IP are proprietary and self-developed by us. We do not rely on any material third-party IP license for the commercialization of our three major solution categories, and we did not incur any material third-party IP license fee during the Track Record Period and up to the Latest Practicable Date.

Research and Development Projects

One of our principal ongoing core research and development projects is our 5G R17 RedCap project, which is customer-driven and is being developed in response to a specific customer program requirement. This project is intended to support the initial deployment of our 5G RedCap-related capabilities for one of our major customers and represents an important step in the continued upgrade of our in-vehicle communication solutions toward higher-performance next-generation connectivity applications. The project is currently in progress and is expected to enter mass production in the third quarter of 2026. Through this project, we aim to further strengthen our product portfolio in advanced communication technologies and support OEM customers’ increasing demand for lower-latency, more efficient and more scalable in-vehicle connectivity solutions.

We are also developing the Smart Antenna AT507 project, which was self-initiated by us based on our assessment of customer product planning and expected market demand. This project is aimed at achieving customer nomination and subsequent mass production and forms part of our broader effort to enhance hardware RF performance and communication quality in increasingly demanding vehicle connectivity scenarios. The current development stage is substantially completed in the second quarter of 2026, and customer nomination is currently expected in the fourth quarter of 2026 to the first quarter of 2027. Commercialization is expected to follow the relevant customer vehicle program schedule and mass production timetable. This project reflects our proactive research and development efforts in intelligent antenna systems as part of our solution and technology development strategy, rather than a purely reactive customer-specific development arrangement.

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In addition, UWB-related technologies and applications constitute one of our key ongoing core research and development directions. As disclosed in our core technology section, we are continuing to invest in UWB applications aimed at enabling centimeter-level positioning for third-generation digital keys and enhancing functions such as car locating, remote unlocking and passive entry and passive start, while improving resistance to multipath interference and security performance. In the context of our sensing and domain control solutions, these research and development efforts form part of our broader digital-key and intelligent sensing roadmap, including the development of integrated BLE + NFC + UWB solutions for positioning, platform management and information security. At present, we are conducting preliminary research and continuing to track the development of UWB-related technologies and applications. The progress of any substantive research and development work, as well as the commercialization or mass production timetable of UWB-enabled products, is expected to be driven by and developed in line with customer demand and the relevant vehicle program requirements.

These core research and development projects demonstrate how we apply our research and development resources across both customer-led commercialization programs and forward-looking technology deployment. They are closely aligned with the future evolution of our three major solution categories, particularly in relation to next-generation communication technologies, intelligent antenna systems, digital key solutions and more advanced vehicle electronic and electrical architectures.

Measures to Protect Our IP, Trade Secrets and Know-How

We protect our IP, trade secrets and know-how through a combination of registration, contractual arrangements, internal procedures and information security measures. In particular, we have obtained certification under the IP compliance management system in accordance with GB/T 29490-2013 (Enterprise Intellectual Property Management Specification).

First, we seek to protect the results of our research and development through registered IP rights where appropriate. We register patents, software copyrights, trademarks and domain names for inventions, software, brands and identifiers that we consider material to our business, and we monitor relevant filing, renewal and maintenance requirements on an ongoing basis.

Second, we supplement registered IP protection with contractual safeguards. We enter into confidentiality and invention-assignment arrangements with employees, and, where appropriate, confidentiality and non-compete arrangements with senior management, key research and development personnel and other personnel with access to confidential information. Our standard employment arrangements provide that inventions, technologies, know-how and trade secrets developed in the course of employment belong to us. We also enter into confidentiality arrangements with consultants, contractors, suppliers and other counterparties where access to proprietary or confidential information is required in the course of cooperation.

Third, we adopt internal procedures to identify, classify and protect IP and confidential technical information. We review technical outputs generated through our research and development activities and determine, as appropriate, whether they should be protected through patent or software copyright registration or retained as trade secrets and know-how. We also restrict access to sensitive technical materials, such as source code, design files, test data and technical documentation, on a need-to-know basis.

Fourth, we protect our data, trade secrets and know-how through physical and electronic security measures over our premises and information technology systems. We maintain data backup arrangements and information security controls, and our information systems apply multiple layers of safeguards, including internal end-device security, external firewalls and data traffic monitoring, to identify and protect against security attacks and unauthorized access. We have also obtained ISO21434 and ISO 27001 certification, which demonstrate our systematic approach to cybersecurity and information security management.

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During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalties relating to IP matters and were not involved in any IP litigation, arbitration or claims that had, or would reasonably be expected to have, a material adverse effect on our business, financial condition or results of operations.

INTELLECTUAL PROPERTY

We rely on proprietary technologies, software, know-how and trade secrets to compete effectively in our markets, and we generate intellectual property through continuous research and development activities. We protect our intellectual property and proprietary rights through a combination of patents, copyrights, trademarks, trade secrets, domain names, confidentiality and invention-assignment arrangements, internal policies, and contractual safeguards with employees, consultants, customers and suppliers.

As of May 31, 2026, we had: (i) 31 patents, including 21 invention patents, eight utility model patents, and two design patents; (ii) 27 copyrights, including one work copyright and 26 software copyrights; (iii) ten registered trademarks; and (iv) one domain name. For further details, please refer to “Appendix IV – Statutory and General Information – B. Further Information about our Business – 2. Intellectual Property”.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we had not received any administrative penalties relating to intellectual property matters and had not been involved in any intellectual property litigation, arbitration or claims.

OUR PRODUCTION

We operate a hybrid production model that focuses primarily on in-house manufacturing, supplemented by selective outsourcing to expand capacity when needed.

Production Facilities

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 intelligent connected vehicle onboard communication terminals, including T-Box and E-call terminal products, for our in-vehicle communication solutions and E-call solutions.

Set out below is our designed production capacity, (that represents the maximum annual production capacity under the relevant production setup during the year) actual production outputs, and utilization rate of our Deqing Facility in terms of T-Box and E-call terminal products for our in-vehicle communication solution and E-call solution during the Track Record Period.

	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
Designed production capacity (units /year or period) ⁽¹⁾	510,000	820,000	1,130,000	470,000	470,000
Actual production outputs (units)	366,664	750,579	926,500	296,160	364,190
Utilization rate (%) ⁽²⁾	71.9	91.5	82.0	63.0	77.5

Notes

- (1) Designed production capacity is determined and calculated by multiplying the daily capacity of the machine with the applicable number of days of operation and the number of machines during the year/period. We assume the days of operation are 300 days per year, calculated based on the fact that the major machines operate 6 days a week and approximately 50 weeks a year.
- (2) Utilization rate is calculated by dividing actual production outputs by designed production capacity for the relevant year/period.

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For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, our production utilization rate of our Deqing Facility for our in-vehicle communication solutions and E-call solutions was 71.9%, 91.5%, 82.0%, 63.0% and 77.5%, respectively. The fluctuation in our production utilization rate of our Deqing Facility for our in-vehicle communication solutions and E-call solutions was primarily attributable to changes in our designed production capacity relative to our actual production volume. The increase in utilization rate from 71.9% in the year ended December 31, 2023, to 91.5% in the same year in 2024 was mainly due to the growth in our actual production volume the increase in our designed production capacity. In contrast, the decrease in utilization rate to 82.0%, was primarily because the increase in our designed production capacity exceeded the growth in our actual production volume.

In particular, we added an additional production line towards the end of 2024, which resulted in a significant increase in our designed production capacity as of December 31, 2024 compared with December 31, 2023. Our designed production capacity increased further, albeit to a lesser extent, as of December 31, 2025, as the new production line progressed through ramp-up and mass production tuning and optimization. Furthermore, our production is affected by the procurement and production plans of our Chinese OEM customers and the seasonality of the Chinese automotive market. Typically, our sales and production volumes are lower in the first half of the year, while demand increases in the second half of the year with a ramp-up generally starting from the third quarter and the fourth quarter being the peak season as Chinese OEM customers aim to meet annual targets and fulfill procurement plans before year-end. As a result, our production utilization rate may fluctuate from period to period depending on the timing of capacity additions and seasonal order ramps. For more details, please refer to “Financial Information – Seasonality”.

Expansion Plan

To strengthen our ability to meet the growing demand for Customer A/H, we are preparing for the construction of a new facility in Wuhu, Anhui Province (the “**Wuhu Facility**”). 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. The facility is expected to cover a total gross floor area of approximately 6,000 square meters and is designed to cater specifically to the production needs of this key customer. For the avoidance of doubt, the Wuhu Facility is not being established as a separate facility for a different product category; rather, similar to the Deqing Facility, it is intended to manufacture intelligent connected vehicle onboard communication terminals, but will primarily serve customer programs allocated to it based on customer demand and delivery arrangements. We currently expect that a growing portion of supply demand from Customer A/H will be gradually transitioned from the Deqing Facility to the Wuhu Facility.

The construction of the Wuhu Facility is planned in two phases. Phase I primarily consists of leasing the initial plant premises, completing fit-out works and procuring and installing the relevant production and testing equipment, and represents the initial production setup and ramp-up stage through 2027. As of the Latest Practicable Date, the fit-out had been completed, equipment installation had been completed and production-line commissioning had commenced, and therefore, the facility has commenced trial production in the first quarter of 2026 and is undergoing transfer audit. We currently expect the Wuhu Facility to commence formal mass production in the third quarter of 2026. The second phase is planned to commence in 2027, with full completion anticipated by 2028, at which point the facility will be fully operational. As of the Latest Practicable Date, we have completed the required investment-project filing and obtained the environmental-impact assessment approval. Similar to the Deqing Facility, the Wuhu Facility is intended to manufacture intelligent connected vehicle onboard communication terminal-related products, while also supporting, as relevant customer programs progress, certain sensing and domain control-related products. The Wuhu Facility is currently expected to provide additional production capacity of approximately 0.6 million units after the relevant expansion and ramp-up. On a longer-term basis, based on our internal production planning and assuming operation under the intended setup and utilization conditions, the Wuhu Facility may support an overall maximum designed production capacity of up to approximately 1.2 million units in an ideal operating state. For the avoidance of doubt, such 1.2 million-unit figure reflects our internal assessment of the Wuhu Facility’s longer-term maximum designed capacity under an ideal operating state, whereas the currently expected additional production capacity under the present expansion plan is approximately 0.6 million units. Separately, the relevant government approval currently permits a maximum production capacity ceiling of up to 1.5 million units. This facility is a pivotal step in supporting our strategic partnership with this key customer, ensuring that we can meet the relevant customer programs’ growing production requirements while advancing our capabilities in intelligent connected vehicle solutions.

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Outsourcing Production

In the automotive supply chain, production demand is primarily driven by OEM customers’ rolling production schedules, vehicle model launch and ramp-up timetables, procurement plans and model-specific requirements, and is therefore not evenly distributed throughout the year. In addition, the PRC automotive market is subject to seasonality, with production and procurement generally strengthening in the second half of the year, particularly in the third and fourth quarters, as OEM customers accelerate toward annual targets. As a result, a utilization rate below full capacity on a period-average or annualized basis does not necessarily mean that all short-term demand fluctuations can or should be absorbed fully in-house at all times.

In this context, we use outsourced manufacturing primarily as a flexible capacity management and delivery-assurance measure. In particular, we use outsourced manufacturing partners to provide supplemental production capacity for temporary demand surges, short-term production fluctuations and certain customer-program ramps, while maintaining a more stable baseline of production within our self-owned facility. This helps us manage peak and non-peak production more efficiently, avoid inefficient stop-start production arrangements and excessive fixed-cost absorption for temporary or highly variable volumes, and maintain delivery flexibility and operational efficiency without sizing all in-house capacity solely for peak demand.

We may also allocate part of production volume to outsourcing partners outside the most acute peak periods in order to maintain a stable and responsive external manufacturing resource base, so that such partners can preserve qualified personnel, line readiness and process familiarity for our products and can respond promptly when demand ramps up. During the Track Record Period, we engaged two outsourcing partners. 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.

Our partner selection and management process for outsourced production is stringent. We provide our outsourcing partners with specialized equipment and operational guidelines. This ensures that the equipment and processes are exclusively used for our products, eliminating the risk of misapplication. Our outsourced partners are not permitted to use the equipment and manuals we provide to manufacture products outside the scope of our collaboration, ensuring strict control over intellectual property and product integrity.

Moreover, we maintain rigorous oversight of the outsourced production process. Quality control and adherence to our high standards are paramount, and we work closely with our outsourced partners to ensure that these standards are upheld at every stage of production. For example, our outsourcing partners are required to comply with detailed quality management systems (“QMS”) and undergo regular audits to ensure their adherence to our specifications.

Our outsourcing production is conducted on an OEM basis rather than an ODM basis. Specifically, we retain responsibility for the relevant product design, engineering specifications, software, process requirements and quality standards, while our outsourced manufacturing partners manufacture in accordance with our specifications, operational guidelines and purchase orders and do not independently design the relevant products for us.

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Salient Terms of Outsourcing Production

Set forth below is a summary of salient terms of the outsourcing production agreements:

- **Supplier selection criteria:** Suppliers are selected based on established criteria, including qualifications, certifications, delivery capability, and price stability. To qualify, suppliers must hold IATF 16949 management system certification, possess substantial financial and operational capacity, and demonstrate comprehensive manufacturing workflows tailored to the automotive industry.
- **Contracts and orders:** The contracts with our outsourced manufacturing partner typically cover pre-production preparation, material procurement control, production specifications, shipment scheduling and delivery acceptance, pricing mechanisms, intellectual property protection, quality assurance and breach of contract resolution, which enable us to maintain close oversight throughout the entire outsourced manufacturing process from pre-production to after-sales management to ensure product quality and timely delivery. We specify the product specification, price, quantity, typical credit terms of 90 days and other detailed items in each purchase order we send to our outsourced manufacturing partner.
- **Quality control:** Our outsourced manufacturing partners typically sign a separate quality assurance agreement with us, implementing comprehensive quality management and control across dimensions on personnel, material procurement, and equipment. Meanwhile, we mandate that our outsourcing partners maintain timely production records for a minimum retention period of five years to facilitate verification and traceability at any time. Generally, we require our outsourced manufacturing partners to provide a 12-month quality guarantee for manufactured products, ensuring prompt response and support for any quality issues. A detailed reward-and-penalty mechanism has been established for quality management, including specific handling protocols for scenarios such as customer complaints, batch recalls (批量召回), and batch quarantines (批量隔離). Dedicated quality teams at each production stage ensure that all products meet both domestic and international automotive standards, maintaining the integrity and reliability of our offerings.

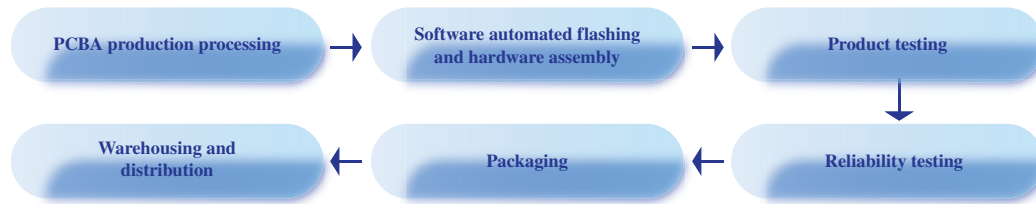
Production Process

Our production process is meticulously designed to uphold the highest quality standards while providing the agility needed to meet customer demands swiftly. This process ensures that products are delivered on time without compromising on quality.

We are dedicated to advancing the automation and digitalization of our production lines to improve efficiency. The production workflow consists of raw material procurement, processing, assembly, product testing, packaging, and warehousing. We utilize standard manufacturing practices and processes that allow for scalable expansion, enabling us to enhance our product offerings while maintaining flexibility.

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Our production process is designed to maintain high standards of quality and efficiency. From sourcing raw materials to the final shipment of products, we follow a meticulous, multi-step process that ensures the timely delivery of products without compromising quality. Below is a detailed breakdown of the key steps involved in our production process.



(1) *Printed Circuit Board Assembly (“PCBA”) production processing*

This stage involves several critical steps to ensure the precision and quality of our product. The automated Surface Mount Technology (“SMT”) lines are used to place components onto printed circuit boards (“PCBs”), while the MPM Momentum Series printing machines apply solder paste with high accuracy. The 3D Solder Paste Inspection (“SPI”) machines inspect the thickness of the solder paste in real-time, ensuring a consistent and reliable soldering process. Depending on the complexity and machine utilization, the processing time typically ranges from 60 to 120 seconds per unit.

(2) *Software automated flashing and hardware assembly*

After PCBA production processing, every bare PCB is first routed to the automated software flashing station, where firmware, bootloaders and customer-specific application software are simultaneously written to memory in around 30 seconds. Only then are the now-intelligent boards conveyed to the final-assembly line, where robotic cells fit them, together with connectors, shields, thermal plates and housings, into communication terminals, domain controllers and other integrated units. Typical mechanical assembly takes 60–120 seconds, after which every finished product is routed to an end-of-line tester: a closed-loop rig that exercises RF, power, I/O and safety functions to confirm that the pre-flashed software and newly assembled hardware operate as one validated system.



Live demonstration of our automated software flashing scene

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(3) *Product testing*

Once assembly is complete, every product undergoes 100% testing to verify that it meets our rigorous quality standards. The testing process involves both automated and manual inspections. Automated testing includes Automated Optical Inspection (“AOI”) to visually inspect PCB solder joints, X-ray inspection to examine the quality of soldering on hidden components, In-Circuit Testing (“ICT”) to verify the functionality of individual components, and Functional Circuit Testing (“FCT”) to ensure the product meets essential performance criteria such as connectivity, power consumption, and user interface functionality. Manual testing complements this by involving visual inspections for cosmetic defects, connector integrity testing to ensure proper attachment, and functional performance testing, where operators manually interact with the product to verify that all user interface components function as intended. The entire testing process typically takes five minutes per unit, ensuring that each product meets our high-quality standards before it is delivered to customers.

(4) *Reliability testing*

After passing initial testing, all products undergo reliability testing to assess their performance under various conditions. This step is designed to simulate long-term usage and verify durability. Products are subjected to environmental tests, including high/low-temperature exposure, humidity testing, and vibration testing, to ensure their reliability over time.

(5) *Packaging*

Once products pass all testing phases, they are securely packaged to protect them during storage and transport. The packaging process is standardized to ensure the integrity of the product. Automated packaging machines are used to efficiently package products, while sealing and labeling systems ensure proper identification and compliance with shipping regulations.

(6) *Warehousing and distribution*

After packaging, the products are moved to the jointly-managed warehouse operated in collaboration with our OEM customers, where they are stored until ready for shipment. The warehouse is managed using a Warehouse Management System (“WMS”), which tracks product locations and manages inventory levels. Automated sorting systems are used to optimize storage and ensure quick retrieval of high-demand items.

PCBA production machinery and equipment

Set out below is an overview of the key machines used in our PCBA process, explaining their roles in the production process.

- *Automatic double-sided laser etching equipment (全自動在綫雙面鐫雕設備)*

This machine is used to laser-etch serial numbers onto products, ensuring each one can be traced back to its production batch. The laser etching process operates without dust or pollution and is integrated with our Manufacturing Execution System (“MES”) for real-time tracking. It ensures accurate identification and prevents errors in the final products. The equipment’s laser wavelength is 10.6 μm , with a spot diameter of 110 μm , offering high precision in etching. This system plays a crucial role in product traceability and provides a unique “identity” to each unit, which can be traced through the entire manufacturing process.

- *SMT MPM momentum series printing machine*

The MPM Momentum Series is a high-precision printing machine used to apply solder paste onto PCBs (printed circuit boards). With a printing accuracy of 20 μm , this machine ensures that the solder paste is applied evenly, which is essential for reliable soldering and component placement in subsequent steps. The machine’s automated features reduce the risk of human error, allowing for consistent and high-quality production. It enables us to maintain a stable and reliable soldering process across all units.

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- *Automatic glue dispensing equipment (全自動在綫點膠設備)*

This machine is responsible for applying precise amounts of glue to components during assembly. It features an accuracy of 0.01 mg per spot and can process up to 500 units per hour. By automating the glue dispensing process, we ensure that each component is securely bonded without excess glue, which could affect the product’s performance. The equipment maintains a high level of repeatability and precision, guaranteeing product stability and enhancing the overall quality of the final product.

- *3D SPI machine*

The 3D SPI machine inspects the solder paste applied during the production process to ensure the correct amount of paste is used. It monitors the thickness, volume, and area of the solder paste in real time, providing valuable feedback to ensure a consistent and reliable soldering process. By identifying any discrepancies early, the machine helps prevent issues in subsequent stages, ensuring that each product meets our rigorous quality standards.

- *SMT high-speed Panasonic NPM-D3A placement machine (貼片機)*

The SMT High-Speed Panasonic NPM-D3A placement machine is used to place surface-mount components onto PCBs with high precision and speed. It offers exceptional placement accuracy and stability, making it ideal for high-volume production environments. The machine supports dual-format flexibility, enabling it to handle a wide variety of component sizes and shapes efficiently, contributing to the smooth operation of the assembly process.

- *Automated Optical Inspection equipment (自動光學檢測設備)*

This machine inspects the solder joints and components on the PCB, ensuring that no defects, such as misalignment or soldering issues, are present. It uses high-resolution cameras to scan the boards for potential errors, with a first-pass yield (“FPY”) rate of over 95%. This equipment is critical in identifying defects early in the process, allowing us to make corrections before products move to the next stage.

- *X-ray inspection equipment*

The X-ray inspection machine is used to examine the solder joints of components, especially in areas that are difficult to inspect visually. This non-destructive testing tool detects internal defects, such as cold solder joints or short circuits, that may not be visible through conventional optical methods. By using X-ray technology, we ensure that all components are securely attached and that the product is free from hidden flaws that could affect its performance.

- *Dual In-line Package (“DIP”) reflow soldering and AOI system (DIP爐後自動光學檢測設備)*

This system combines reflow soldering with AOI to ensure high-quality soldering of components. It checks the quality of solder joints immediately after the soldering process and ensures that any defective units are identified and removed from the production line. This process helps maintain the reliability and quality of the final product, ensuring that all components are correctly attached and the connections are secure.

- *In-Circuit Test (“ICT”) equipment*

The ICT system is used to test the electrical functionality of the circuit boards. It checks for faults such as open circuits, short circuits, and misaligned components. The ICT equipment ensures that the circuit boards meet the required performance standards and that any faults are detected and corrected before the products proceed to the next stage. This step helps ensure the reliability and safety of the final product.

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Maintenance

We conduct careful and timely maintenance of our production facilities and equipment. Each piece of our major production equipment or machinery undergoes regular servicing and maintenance, adhering to predefined schedules. We have established and continually update internal procedures tailored to the unique characteristics and requirements of each piece of production equipment or power machinery.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspensions of operations due to equipment, machinery or other mechanical failures.

SALES AND MARKETING

Direct Sales with OEMs

Our sales strategy is centered around direct engagement with OEMs. 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. We engage in proactive communication with clients to deeply understand their specific requirements, including product specifications, model variations, and project timelines. This collaborative approach enables us to provide customized solutions that align precisely with our clients’ needs.

After gathering detailed information, we present pricing proposals based on the complexity and scope of each project. Our direct sales model provides us with full control over the entire product development cycle, from initial negotiations through to final delivery. By eliminating intermediaries, we ensure that all transactions are aligned directly with our clients’ specifications, enhancing efficiency and fostering transparent relationships.

The product development cycle, typically spanning about a year, encompasses everything from project initiation to mass production. This extended timeline ensures that we have ample opportunity to refine and optimize each product, ensuring it meets the rigorous quality standards expected by our OEM partners.

In addition to managing the production timelines effectively, our model also incorporates flexible, scalable solutions to accommodate varying demands from our clients. This is evident in the diverse range of projects we handle, where we consistently work on a variety of vehicle models, leveraging our strong research and development and production capabilities to meet market needs. With our deep integration of software and hardware solutions, we offer unparalleled customization options, ensuring our OEM partners receive top-tier, tailored solutions.

Pricing Policy

Our pricing policy is designed to balance competitiveness with the premium quality and high level of customization that our solutions offer. We aim to provide fair, transparent pricing for all of our clients, ensuring consistency for similar products across different customers. However, prices may vary depending on specific project requirements, product specifications, and customization needs. Customization is a key element of our offerings, and pricing is closely aligned with the level of adaptation and innovation required to meet each customer’s unique needs.

In particular, during the development collaboration stage, we assess the expected engineering and research and development efforts required for a project, including software and hardware adaptation, product definition, testing, validation and other customization work, and factor such expected costs into our overall pricing assessment. For projects involving a higher degree of customization, new-function development or more intensive development collaboration, we generally seek to reflect the additional development costs and resources committed by us through the pricing of the relevant products over the expected commercial lifecycle of the project, taking into account factors such as expected order volume, program duration, technical complexity, customer requirements and target profitability. Depending on the specific arrangement, such development-related costs may be recovered through the unit price of mass-production products and, in limited cases, through separately agreed development fees or other commercial arrangements.

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For large-scale projects or the introduction of new products, pricing may be adjusted on a case-by-case basis. This adjustment is determined by the complexity, scope, and technological requirements of the project. For example, in strategic collaborations with leading OEMs, particularly those with large-scale operations such as manufacturers with annual production volumes exceeding one million vehicles, and especially those producing two million vehicles annually, our pricing strategy will be tailored to provide highly efficient, competitive, and technologically satisfied solutions. This pricing approach takes into account the customer’s position as an industry leader in vehicle electrification and intelligence, enabling us to align our solutions with their smart vehicle strategies.

Moreover, for customers with significant export volumes and those dominating key international markets, we adopt a competitive pricing strategy to maintain leadership in overseas markets. These strategic clients benefit from a more flexible pricing structure that reflects the scale of their operations and the global nature of their production needs, ensuring that our solutions remain cost-effective while meeting their international standards.

In line with industry norms, we do not typically offer significant discounts to individual clients. However, we may provide pricing flexibility in specific cases to remain competitive, especially when adjusting for factors such as changes in production volume, customer-specific technical requirements, or shifting market conditions. This flexibility allows us to maintain our market position while ensuring the continued delivery of high-quality solutions.

Our primary goal is to ensure that our pricing reflects the value we deliver to customers, while supporting profitability and sustainable growth. Pricing is also influenced by broader market conditions, including fluctuations in raw material and labor costs, geographical location, supply chain dynamics, and advancements in technology, such as the integration of 5G and intelligent antenna systems.

Marketing Strategy

Our marketing strategy is centered around fostering strong, long-term relationships with OEMs by highlighting the value, quality and flexibility of our solutions. We differentiate ourselves in the market through our technological expertise, particularly in areas such as 5G connectivity, intelligent antenna systems and domain control solutions, which are increasingly critical to intelligent vehicle platforms.

We primarily conduct marketing through direct engagement with OEMs and other business customers, rather than end users. Our customer base consists exclusively of business-to-business (“B2B”) clients. We deepen cooperation by participating in industry conferences, supplier audits and joint development projects, and by embedding our teams in customer programs at an early stage of the vehicle development cycle. This enables us to position ourselves as a trusted partner offering tailored solutions that address the unique requirements of each client.

In addition to direct customer interactions, we also strengthen our brand presence by continuously enhancing the robustness and efficiency of our connectivity and domain control solutions, and by optimizing customer service and after-sales support. By providing stable product performance and responsive technical support throughout the entire product lifecycle, we aim to reinforce our market position as a reliable provider of intelligent vehicle connectivity and domain control solutions.

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As part of our overall commercial and relationship-management strategy with OEMs, we may from time to time agree on annual rebate arrangements with certain major customers. These arrangements are negotiated on a B2B basis and are intended to reflect factors such as overall annual purchase volume, project scale, strategic importance of the customer relationship, and prevailing market competition, rather than simple one-off price discounts on individual orders. Our rebate agreement exists as a supplemental agreement to the main contract, specifying the detailed rebate arrangements between both parties. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, we recorded aggregated rebate amounts of approximately RMB1.8 million, RMB2.9 million, RMB7.1 million and RMB2.8 million, respectively. In line with common industry practice for automotive suppliers, such rebates are generally settled periodically and accounted for as a direct adjustment to revenue. This practice is commonly used in the automotive industry under the B2B model for OEM suppliers.

Seasonality

For detailed information, please refer to the section headed “Financial Information – Seasonality” in this document.

OUR CUSTOMERS

Since our inception and up to May 31, 2026, we had cumulatively served a total of 42 OEM customers. We are proud to have established partnerships with major OEMs across various regions.

The table below sets forth the movement of our OEM customers for the periods indicated.*

	For the years ended December 31,			For the five months ended May 31,
	2023	2024	2025	2026
Number of OEM customers at the beginning of the year/period	15	20	20	26
Number of new OEM customers ⁽¹⁾	8	3	8	nil
Number of withdrawn OEM customers ⁽²⁾	3	3	2	nil
Number of OEM customers at the end of the year/period	20	20	26	26

Note:

* The cumulative total number of OEM customers served since our inception is not equal to the period-end number of OEM customers, as certain OEM customers ceased to contribute revenue or otherwise withdrew during the relevant years/periods.

(1) Number of new OEM customers in a given period refers to customers who contributed to our revenue in that period and did not do so in the previous period.

(2) Number of withdrawn OEM customers in a given period refers to customers who have not contributed to our revenue for two years.

We collaborate closely with our OEM customers from the initial design phase to mass production, ensuring that our products meet their specific requirements. This approach has allowed us to secure significant long-term contracts, with whom we have established ongoing relationships and a strong presence in both domestic and overseas markets.

Our customer base is diversified, with a growing presence in international markets. The focus on expanding into markets such as EU, Middle East, and ASEAN reflects our strategic vision of being a leading global supplier of intelligent automotive solutions.

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Agreement with OEMs

Set forth below is a summary of salient terms of the sales agreements between our customers and us:

<i>Duration</i>	:	Generally ranging from one year to three years, unless otherwise agreed.
<i>Specifications</i>	:	Our customers typically set forth specific specification requirements for the solutions ordered, such as name, model, configuration and features.
<i>Delivery</i>	:	We are generally responsible for delivering the solutions to locations designated by the customers.
<i>Transfer of risk</i>	:	The risks transfer to customers after they complete the inspection and confirm the receipt of our solutions.
<i>Payment and credit terms</i>	:	Our customers are typically required to settle the payment with credit terms ranging from 60 to 120 days after receipt of invoice.
<i>Confidentiality and intellectual property</i>	:	Both parties are required to maintain the confidentiality of technical and commercial information obtained in the course of cooperation. We retain ownership of our proprietary technology and intellectual property used in product development, while ensuring that supplied goods do not infringe any third-party rights.
<i>Warranty:</i>	:	We generally provide product quality warranties to our OEM customers for a specified warranty period as agreed in the relevant sales agreements, under which we are typically responsible for repairing, replacing or otherwise addressing products that fail to meet agreed quality standards due to non-human-caused product defects arising from our design, manufacturing or assembly, subject to the terms and conditions of the relevant agreements. The specific warranty period and scope may vary depending on the product type, project requirements and customer arrangements.
<i>Products return</i>	:	Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications.
<i>Termination</i>	:	These framework agreements can be terminated with mutual agreement of parties, or terminated unilaterally under certain circumstances such as unrectified material breach of the contract, force majeure or bankruptcy of a party.

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Major 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 approximately 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 was RMB149.3 million, RMB361.7 million, RMB384.4 million and RMB138.8 million, respectively, accounting for approximately 72.6%, 90.8%, 85.6% and 77.4% of our total revenue, respectively.

The following table sets forth the details of the five largest customers in each year/period during the Track Record Period.

For the year ended December 31, 2023

Rank	Customer	Year of commencement of business relationship with us	Payment method	Credit terms	Revenue derived from the customer RMB'000	Percentage of total revenue %
1.	Customer A/H ⁽¹⁾	2019	Bank transfer	60 days	149,332	72.6
2.	Customer B ⁽²⁾	2016	Bank transfer	90 days	24,224	11.8
3.	Customer C ⁽³⁾	2023	Bank transfer	60 days	20,442	9.9
4.	Customer D ⁽⁴⁾	2017	Bank transfer	90 days	5,240	2.5
5.	Customer E ⁽⁵⁾	2023	Bank transfer	120 days	1,549	0.8
Total					200,787	97.6

BUSINESS

For the year ended December 31, 2024

Rank	Customer	Year of commencement of business relationship with us	Payment method	Credit terms	Revenue derived from the customer RMB'000	Percentage of total revenue %
1.	Customer A/H	2019	Bank transfer	60 days	361,677	90.8
2.	Customer B	2016	Bank transfer	90 days	10,475	2.6
3.	Customer D	2017	Bank transfer	90 days	5,209	1.3
4.	Customer F ⁽⁶⁾	2023	Bank transfer	90 days	5,017	1.3
5.	Customer G ⁽⁷⁾	2024	Bank transfer	30 days	2,621	0.7
Total					384,999	96.7

For the year ended December 31, 2025

Rank	Customer	Year of commencement of business relationship with us	Payment method	Credit terms	Revenue derived from the customer RMB'000	Percentage of total revenue %
1.	Customer H ⁽⁸⁾	2019	Bank transfer	30 to 60 days	384,377	85.6
2.	Customer L ⁽¹²⁾	2015	Bank transfer	60 days	18,635	4.1
3.	Customer I ⁽⁹⁾	2025	Bank transfer	60 days	12,834	2.9
4.	Customer J ⁽¹⁰⁾	2020	Bank transfer	120 days	8,447	1.9
5.	Customer K ⁽¹¹⁾	2025	Bank transfer	90 days	4,847	1.1
Total					429,140	95.6

BUSINESS

For the five months ended May 31, 2026

Rank	Customer	Year of commencement of business relationship with us	Payment method	Credit terms	Revenue derived from the customer <i>RMB'000</i>	Percentage of total revenue %
1.	Customer H	2019	Bank transfer	30 to 60 days	138,765	77.4
2.	Customer L	2015	Bank transfer	60 days	20,863	11.6
3.	Customer I	2025	Bank transfer	60 days	8,161	4.6
4.	Customer M	2022	Bank transfer	90 days	2,505	1.4
5.	Customer J	2020	Bank transfer	120 days	1,833	1.0
Total					172,127	96.0

Notes:

- (1) Customer A, established in January 1997, is a PRC-incorporated leading automotive enterprise group principally engaged in passenger vehicle-related business, including the research and development, manufacturing and sales of passenger vehicles, including both internal combustion engine vehicles and new energy vehicles, together with related automotive parts and components businesses. Based on publicly available information, Customer A underwent an internal restructuring in January 2025, following which the relevant passenger vehicle business and the relevant commercial vehicle business were presented as Customer H and Customer J, respectively, for document reporting purpose. For the avoidance of doubt, references to Customer A/H and Customer J in this document reflect our reporting presentation of the relevant customer groups before and after the January 2025 restructuring, as applicable. For details, please refer to the paragraph headed “The relationship between Customer A/H and Customer J” below.
- (2) Customer B, established in October 2014, is a PRC-incorporated new energy vehicle manufacturer principally engaged in the development, manufacturing and sales of new energy passenger vehicles.
- (3) Customer C, established in May 1992, is a PRC-incorporated automotive joint venture principally engaged in passenger vehicle manufacturing and related automotive business.
- (4) Customer D, established in January 2015, is a PRC-incorporated new energy vehicle manufacturer principally engaged in the development, manufacturing and sales of electric vehicles and related products.
- (5) Customer E, established in October 2019, is a PRC-incorporated automotive manufacturer principally engaged in vehicle manufacturing, research and development, sales and related automotive technical services.
- (6) Customer F, established in February 1999, is a PRC-incorporated automotive components manufacturer principally engaged in the design and manufacture of automotive components and related products.
- (7) Customer G, established in October 2021, is a PRC-incorporated automotive technology enterprise principally engaged in automotive research and development and related technology activities.
- (8) Customer H, established in January 1997, is a PRC-incorporated leading automotive enterprise group principally engaged in passenger vehicle-related business. Based on publicly available information, following the January 2025 restructuring referred to above, Customer H was subsequently listed on the Main Board of the Stock Exchange in 2025.

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- (9) Customer I, established in September 2024, is a PRC-incorporated automotive technology / components enterprise principally engaged in automotive-related technology or components business.
- (10) Customer J, established in May 2001, is a PRC-incorporated commercial vehicle-related customer group principally engaged in commercial vehicle-related business.
- (11) Customer K, established in March 2003, is a PRC-incorporated automotive components manufacturer principally engaged in the development and manufacture of automotive components and related products.
- (12) Customer L, established in August 2023, is a PRC-incorporated information technology or software-related service provider to the automotive industry.
- (13) Customer M, established in December 1995, is a PRC-incorporated automotive components manufacturer principally engaged in manufacturing of high-strength plastic fasteners and metal components for the automotive industry.

Our five largest customers during the Track Record Period were predominantly PRC automotive OEMs or customer groups associated with major PRC automotive manufacturers. These customers generally included established automotive groups with broad passenger vehicle product portfolios covering both internal combustion engine vehicles and new energy vehicles, emerging new energy vehicle manufacturers, automotive joint ventures, and, in certain cases, automotive components manufacturers or automotive technology/software-related enterprises participating in the broader automotive value chain.

We provide highly customized products and services to our customers in the course of specific vehicle programs. Given our business model, the relevant products and services supplied to a customer may involve one or more of our in-vehicle communication solutions, E-call solutions and sensing and domain control solutions, depending on the technical requirements of the relevant vehicle model or program and the applicable contractual arrangements. In addition, before a vehicle program enters mass production, we may provide technical services, which primarily comprise research and development, customization, integration, testing, validation and related engineering support services in connection with the relevant solution configuration and vehicle-program adaptation. Therefore, the nature and scope of products and services supplied to a particular customer are determined by the relevant vehicle program, technical specifications and commercial arrangements, rather than by a fixed one-solution-per-customer model.

The relationship between Customer A/H and Customer J

Based on publicly available information and our dealings with the relevant counterparties, Customer A refers to the relevant customer group associated with a major PRC automotive enterprise group before and after the January 2025 restructuring for document reporting purpose. Following such restructuring in January 2025, for document reporting purpose, the relevant passenger vehicle business continued to be presented under Customer H, while the relevant commercial vehicle business was presented separately as Customer J. Customer J therefore reflects the post-restructuring reporting presentation of the relevant commercial vehicle business customer group, rather than an entirely unrelated new customer relationship. Based on our dealings with the relevant counterparties, the January 2025 restructuring did not have any material adverse impact on our business relationship with the relevant customer group. We continued to cooperate with the relevant counterparties after the restructuring, and for the year ended December 31, 2025, Customer H remained our largest customer and Customer J remained one of our five largest customers. Therefore, the January 2025 restructuring did not interrupt our ongoing cooperation with the relevant customer group and did not have any material adverse impact on our business relationship with Customer H or Customer J.

BUSINESS

Customer concentration

We operate in an industry that is typically characterized by high customer concentration, especially with key OEMs who contribute significantly to our sales. This is particularly common in the PRC automotive industry, where a limited number of large, established OEMs hold a dominant market share, according to F&S. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, revenue from our 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. This high concentration reflects the market dynamics, where a few major players in the automotive sector, particularly legacy OEMs, control substantial portions of market demand, making them pivotal customer for suppliers like us. According to the F&S Report, the total automotive production volume in China reached 31,282 thousand units in 2024. Among them, the top ten OEMs accounted for 27,536 thousand units, representing approximately 88% share of the domestic vehicle production volumes. Furthermore, the top five OEMs produced 17,500 thousand units, constituting 55% of the total production.

Our revenue concentration during the Track Record Period was significantly influenced by our largest customer, Customer A/H, who is a PRC-leading automotive company that designs, develops, manufactures and sells a full spectrum of ICE and new energy vehicles. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, revenue from Customer A/H 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. This dependency is primarily attributable to our long-standing and deep-rooted partnership with Customer A/H, which has been instrumental in positioning us as a key supplier for Customer A’s ICV platforms. We first began our collaboration with Customer A/H in 2019 and, over time, became Customer A’s largest supplier in the field of intelligent connectivity solutions. Moreover, OEM customer acquisition and revenue ramp-up typically involve a lengthy and resource-intensive process, which typically takes two to three years. While this close relationship has fueled our growth, it also presents a risk associated with the potential over-reliance on a single customer. 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.

China’s automotive industry is still maturing and lags behind the industrial ecosystems of developed countries. That developmental gap translates into high entry barriers for domestic electronics suppliers: foreign OEMs and many joint-venture marques rely on supply chains forged over decades and remain wedded to their incumbent global Tier-1 partners. For many domestic automotive suppliers, entering the supply chains of foreign-branded and joint-venture OEMs can be relatively challenging due to entrenched supply systems, which narrows the addressable customer base and can further concentrate sales among a smaller group of leading local OEMs with large-scale production volumes.

In the Chinese automotive market, customer concentration is driven by the dominance of a few established home-grown OEMs, which command large shares of the vehicle market due to their extensive sales volumes. These legacy players, such as Customer A/H, produce millions of vehicles annually, making them prime customers for domestic automotive electronics manufacturers. Their size, long-standing market presence, and extensive supply chains make them highly attractive clients for suppliers. In contrast, while emerging domestic OEMs have been growing rapidly, they often face stiff competition, resulting in lower production volumes. As such, their vehicle output remains in the tens of thousands, far below the scale required to become a primary customer for major domestic suppliers. For example, although new energy EV manufacturers are expanding at a fast pace, their output often does not reach the levels of traditional OEMs, limiting their ability to contribute as major clients.

BUSINESS

Our Directors are of the view that our business relationship with Customer A/H is unlikely to materially adversely change or terminate in the foreseeable future. This view is based on, among other things, (i) the duration and continuity of our cooperation with Customer A/H since 2019; (ii) our position as a key supplier of intelligent connectivity solutions for multiple vehicle programs and brands of Customer A/H; (iii) the highly customized nature of our in-vehicle intelligent connectivity solutions, which generally require vehicle-program-specific development, integration, testing, validation and mass-production support; (iv) the long qualification and nomination cycle in the automotive supply chain, under which a new supplier typically requires two to three years to translate a new OEM engagement into stable, scaled shipments; and (v) our proven delivery, engineering response and on-site support capabilities developed through years of cooperation with Customer A/H.

As Customer A/H's largest supplier in the field of intelligent connectivity solutions, our relationship with Customer A/H is mutually beneficial. For us, Customer A/H has served as an anchor OEM customer, enabling us to deepen our technical capabilities, scale our products across multiple vehicle platforms and strengthen our mass-production track record. For Customer A/H, our long-term participation in its vehicle programs allows it to work with a supplier that is familiar with its vehicle architectures, technical standards and development processes, and that can provide continuous engineering collaboration, timely response, stable delivery and product iteration support. Furthermore, as cooperation deepens and supply volume expands, a long-term incumbent supplier may also be better positioned to provide more efficient service support, faster delivery response and more competitive commercial terms than a newly introduced supplier. Given that automotive intelligent connectivity solutions are highly customized and embedded into OEM customers' electronic and software architectures, changing a long-term incumbent supplier would generally involve additional qualification, integration, validation, switching and coordination costs, potential program delays and higher execution risks.

Our cooperation with Customer A/H during the Track Record Period and up to the Latest Practicable Date has been carried out through a combination of framework supply agreements, technical development agreements, nomination documents, quality management agreements, and/or purchase orders, depending on the relevant product category and vehicle program. The principal terms generally cover the scope of products and/or services, pricing and settlement arrangements, delivery and acceptance requirements, quality and warranty obligations, confidentiality and intellectual property protection, and termination mechanisms for specified events such as material breach, bankruptcy or force majeure.

Depending on the relevant vehicle model, program and product category, we may act either as the sole qualified supplier or as one of two qualified suppliers under an A/B or primary/backup arrangement. According to F&S, even where an OEM maintains a backup supplier arrangement, it remains uncommon in the automotive market for an OEM to replace a long-term incumbent supplier with proven performance, because vehicle-program-specific customization, long qualification cycles, sunk engineering effort and switching risks generally favor supply continuity.

Prior to 2023, we strategically focused our resources and team efforts on deepening our partnership with Customer A/H, successfully supporting its business growth and significantly expanding our market share across its various brands. We believe this is further evidenced by our continued receipt of orders from Customer A/H and the continued growth in orders relating to export-oriented vehicle programs, which together further support the Directors' view that our relationship with Customer A/H has remained stable and commercially sustainable.

While our relationship with Customer A/H has been a cornerstone of our growth, we have been actively implementing diversification measures to reduce, over time, our reliance on any single customer. In particular, building on our foundation with Customer A/H, we have expanded our business development efforts to other leading domestic OEMs and have already achieved identifiable progress. As of June 30, 2026, we had secured 37 nominated component variation projects from ten additional OEMs. These projects are expected to ramp up progressively from 2026 to 2028.

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However, as is common in the automotive industry, new customer development does not normally translate into material revenue immediately. OEMs typically adopt structured supplier selection, nomination, testing and on-boarding procedures, and our in-vehicle intelligent connectivity solutions must be customized and integrated into specific vehicle electronic and software architectures. As a result, according to F&S, ICV technology suppliers typically require two to three years to establish full collaboration with OEM customers and convert new customer development efforts into stable, scaled shipments and meaningful revenue contribution. Based on our current pipeline progress, we expect our reliance on Customer A/H to decrease by approximately 5% to 10% annually starting from 2026, although Customer A/H is expected to remain our largest customer in the near term. We also expect that, by 2027, the business generated from OEMs other than Customer A/H will increase substantially, which would help mitigate our customer concentration risk.

Our diversification strategy is not limited to adding names to our customer list. We also seek to reduce concentration risk by leveraging our modular development and mass production capabilities. We design our solutions with modularity and customization at their core, which allows us to adapt proven software-hardware architectures across different OEMs and vehicle platforms with relatively higher efficiency than developing each solution from scratch. This approach helps shorten adaptation cycles, improves our ability to serve a broader range of vehicle programs and supports the expansion of our customer base over time.

In addition, we are pursuing international expansion initiatives as an additional path to diversify our revenue streams and customer base. In particular, we are in discussions with JV and overseas OEMs regarding potential partnerships involving core automotive electronics equipment, technology licensing and product supply. We believe such international expansion, if materialized, would broaden our customer coverage beyond domestic OEM groups and further reduce our reliance on any single domestic customer.

Furthermore, we are also pursuing an acquisition strategy aimed at acquiring new product categories or teams with specialized expertise. Through such acquisitions, we seek to enhance our product offerings, expand access to new OEM relationships and broaden the range of solutions we can provide to existing and new customers. We believe this strategy, if successfully implemented, would help mitigate concentration risk over time by enlarging both our product scope and customer reach.

In addition to strengthening our domestic customer base, we are actively pursuing international market expansion opportunities. We are currently engaged in promising discussions with overseas OEMs, focusing on potential partnerships involving core automotive electronics equipment, technology licensing, and critical product supply. This international expansion is essential for diversifying our revenue streams and establishing a global presence, further reducing our reliance on the domestic market and Customer A/H.

Furthermore, we are actively pursuing an acquisition strategy aimed at acquiring new product categories or teams with specialized expertise. These acquisitions will enhance our product offerings and provide us with access to new OEMs. We identify and integrate complementary businesses that align with our long-term goals. By broadening our product portfolio and strengthening our technological capabilities, we expect to establish deeper relationships with a wider range of OEMs, mitigating concentration risks and ensuring continued growth.

All of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors or their respective close associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our five largest customers in each year/period during the Track Record Period.

Customer Support

We are committed to providing exceptional customer support, ensuring that our OEM partners and end-users experience seamless service and support throughout the lifecycle of our products. Our customer support approach is centered around comprehensive technical assistance, timely issue resolution, and a strong focus on long-term satisfaction.

BUSINESS

Our customer support services are designed to meet the evolving needs of the automotive industry, offering a combination of in-house resources and third-party collaborations to deliver fast, efficient solutions. These services include:

- **Technical assistance:** Our dedicated technical support team is available to assist OEM customers with any product-related inquiries or challenges. We offer 24/7 support through multiple channels, including direct phone, email, and online platforms. Our team works closely with customers to troubleshoot, diagnose, and resolve issues promptly, ensuring minimal disruption to operations.
- **Training:** To ensure optimal use and integration of our solutions, we provide comprehensive training programs for our OEM customers. These programs include both initial training during product implementation and ongoing educational resources, covering everything from product installation to complicated technical features. This ensures that customers can leverage the full potential of our solutions.
- **Software updates:** We offer regular software updates services to ensure that our products continue to meet the highest standards of performance, safety, and compliance. Our over-the-air (OTA) update capabilities allow for remote software updates, keeping the products up-to-date with the latest features and security patches.
- **Customer feedback loop:** We maintain an open line of communication with our OEM customers, gathering feedback on their experience with our products. This feedback is crucial for ongoing product improvement and innovation. By actively listening to our customers, we are able to refine our solutions, ensuring they continue to meet the dynamic needs of the automotive market.
- **After-sales support:** Our commitment to customer satisfaction extends beyond the sale. We offer robust after-sales support that includes hardware maintenance, warranty services, troubleshooting, and system enhancements. Our dedicated customer service teams ensure that all post-sale inquiries are handled efficiently, maintaining strong customer relationships long after the initial delivery.

OUR SUPPLIERS

Procurement of Raw Materials and Components

Our procurement process is designed to align with our customized production plans. Guided by the production schedules of our OEM customers, we issue forecast quantities to our suppliers, which are categorized into long-term and short-term forecasts. The long-term forecast spans from six months to one year, updated monthly on a rolling basis, while the short-term forecast is updated every month based on real-time needs.

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The raw materials and components we procure include automotive-grade PCBs, master control chips, structural components, and auxiliary materials, such as equipment and tooling fixtures. We sourced these materials both domestically and internationally from a broad base of suppliers. Given the stringent requirements for automotive components, critical components are still largely sourced from leading international suppliers. For solutions and products designed for export vehicle models, we used to source key materials from overseas suppliers to ensure compliance with global standards and supply chain resilience. However, since 2023, driven by national policies and the industry trend, domestic alternatives for these components have begun to undergo verification and adoption. This shift is part of a broader movement within the industry to mitigate risks associated with potential supply chain disruptions, such as those arising from international sanctions or trade restrictions. As part of our strategy to enhance supply chain security, we have started integrating these domestic alternatives where feasible. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, the cost of direct raw materials used were RMB142.5 million, RMB251.7 million, RMB290.7 million, RMB89.3 million and RMB119.9 million, respectively, accounting for approximately 90.5%, 87.0%, 87.9%, 86.5% and 87.4% of our total costs of sales during the respective periods. Our products, including T-Box units, E-call modules and other electronic assemblies, are composed of a large number of electronic components and sub-components. Given the high degree of customization across different OEM customers, vehicle models and product generations, the exact bill of materials and the relative weighting of individual raw material items may vary materially from one vehicle program to another. For this reason, we present our direct raw materials at a higher level by major categories, namely modules and chips, PCBs and batteries, and other raw materials and components. During the Track Record Period, modules represented the largest category of our direct raw materials used, amounting to RMB59.4 million, RMB103.9 million, RMB148.3 million, RMB41.2 million and RMB69.0 million in 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively, accounting for 41.7%, 41.3%, 51.0%, 46.2% and 57.6% of our total direct raw materials used in the respective periods. Chips amounted to RMB17.3 million, RMB21.5 million, RMB33.2 million, RMB10.9 million and RMB15.0 million in 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively, accounting for 12.1%, 8.5%, 11.4%, 12.2% and 12.5% of our total direct raw materials used in the respective periods. PCBs and batteries amounted to RMB10.5 million, RMB19.1 million, RMB23.9 million, RMB8.0 million and RMB12.3 million in 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively, accounting for 7.3%, 7.6%, 8.2%, 9.0% and 10.2% of our total direct raw materials used in the respective periods. Other raw materials and components amounted to RMB55.3 million, RMB107.3 million, RMB85.3 million, RMB29.1 million and RMB23.5 million in 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, respectively, accounting for 38.8%, 42.6%, 29.3%, 32.6% and 19.6% of our total direct raw materials used in the respective periods. Other raw materials and components primarily included ancillary electronic components and structural parts, such as capacitors, resistors and casings, which are used in the assembly and stable operation of our products and solutions.

Optimizing supply chain management is another key advantage provided by our smart manufacturing and mass production capabilities. Our efficient supply chain management helps us streamline the entire process from planning, procurement, and production to sales, enabling us to achieve lower production costs, higher production efficiency, more stable product deliveries, and improved customer satisfaction. Our mass production capabilities also provide significant advantages in after-sales service, ensuring the timely supply and replacement of solutions and components. This enables us to deliver high-quality after-sales service promptly, meeting customer needs effectively.

Our robust supply chain capabilities are a cornerstone of our business, ensuring high levels of security and reliability in meeting our OEM customers' production demands. Even during the COVID-19 pandemic, when transportation and logistics were significantly disrupted, our supply chain maintained its efficiency and flexibility. From 2020 to 2022, despite the challenges posed by global restrictions, we continued to fulfil production requirements without delay. This ability to adapt and ensure continuity in the face of such challenges has been crucial in earning the trust of our OEM customers, allowing us to consistently deliver over one million units annually and secure our position as a trusted partner in the industry. In addition, we were not materially affected by the global chip shortage that occurred from 2020 to 2023 during the Track Record Period, as the impact of such shortage had substantially subsided by the beginning of the Track Record Period.

BUSINESS

We maintain stable relationships with our suppliers to ensure consistent and adequate supply levels. We proactively manage the fluctuations in raw material prices and strive to maintain a well-balanced inventory. Our suppliers are selected based on a rigorous evaluation process, which includes technical assessments, quality testing, and compliance with our operational standards. We periodically review supplier performance to ensure their ongoing capacity to meet our needs.

We also implement price negotiations on an annual basis with our suppliers to mitigate the risks associated with market price fluctuations. The majority of our raw materials and components are sourced from multiple suppliers, reducing our dependency on any single source and enhancing our resilience against potential supply chain disruptions.

We work under framework agreements with our suppliers, which specify the technical specifications, pricing, delivery terms, and quality control standards. Suppliers are not permitted to increase prices without our consent, and we ensure that all products meet our stringent quality requirements before they are accepted for use in production. We also maintain a flexible, multi-supplier strategy to ensure competitive pricing and supply chain stability.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of raw materials that resulted in interruptions in our production. We did not experience any quality issues with our raw materials during the Track Record Period and up to the Latest Practicable Date that materially affected our operations.

Selection and Engagement of Suppliers

We adhere to strict guidelines when selecting suppliers for critical raw materials, components, and key parts used in automotive manufacturing. To ensure the quality and reliability of our products, we conduct thorough evaluations of potential suppliers, ensuring they meet our high standards and specific requirements. While we generally take the lead in selecting and engaging our suppliers based on our internal procurement and quality control standards, certain OEM customers may impose supplier-related requirements in specific projects. Such requirements may include reviewing or confirming our proposed qualified supplier list against their internal standards, specifying a shortlist of acceptable suppliers for certain components or materials, or setting general sourcing requirements for particular parts or solutions. In such cases, we select the relevant suppliers within the scope of such customer requirements and continue to manage the commercial engagement, quality control and day-to-day procurement process.

We prioritize partnerships with renowned suppliers for electronic components to ensure the authenticity and traceability of the parts we source. Our suppliers are typically well-established authorized agents of original manufacturers, which guarantees that the materials and components are sourced directly from trusted manufacturers. We update our demand forecasts regularly, especially for long lead-time materials, to give our suppliers ample time to stock necessary components and ensure timely delivery. This proactive approach helps mitigate the risk of supply chain disruptions and ensures that production timelines are met.

For customized and melded materials, we require our suppliers to undergo periodic process audits. These audits assess the quality management systems at the supplier’s facilities, ensuring that the production processes and the finished products consistently meet our stringent quality standards. This ongoing monitoring helps us maintain a steady supply of high-quality parts and ensures compliance with our operational expectations.

To streamline supplier relationships, we operate with a clear payment structure aligned with industry standards for electronic component procurement. This includes a typical settlement cycle ranging from 60 to 120 days, depending on the supplier and the nature of the parts. Most of our major modules are sourced from internationally recognized chip manufacturers, whose authorized agents manage the entire procurement cycle, including order forecasting, stock preparation, delivery, invoicing, and final settlement.

Our procurement system is fully integrated with an enterprise resource planning (“ERP”) platform that provides end-to-end management of production orders, production schedules, deliveries, and inventory management. This system enables us to efficiently track every step of the procurement process, from order initiation to final delivery, ensuring that all materials are available when needed and that supply chain activities are optimized for efficiency. This seamless integration improves our responsiveness to customer needs, reduces lead times, and enhances overall supply chain performance.

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Agreement with suppliers

Set forth below is a summary of salient terms of the sales agreements between our suppliers and us:

<i>Duration</i>	Generally ranging from one year to three years, unless otherwise agreed.
<i>Specifications</i>	We specify the product name, specification, price, quantity, delivery date, delivery location and other detailed items in each purchase order we send to our suppliers.
<i>Price Adjustment</i>	Framework agreements may include clauses for price adjustments in response to fluctuations in raw material costs, exchange rate shifts for overseas procurement, or changes in annual volume tiers.
<i>Payment and credit terms</i>	Payments are made according to the terms outlined in the purchase orders or agreements. We typically receive credit terms ranging from 30 to 90 days.
<i>Quality control</i>	We inspect the products upon receipt to determine any deviations from our requirements with respect to quality and quantity and notify suppliers.
<i>Delivery</i>	The suppliers are generally responsible for delivery of raw materials and/or components to our designated location specified in each purchase order
<i>Products return</i>	We have the right to return or replace any products that do not meet our requirements, at the expense of suppliers, or to request product replacement or maintenance.
<i>Termination</i>	These framework agreements can be terminated with mutual agreement of parties, or terminated unilaterally under certain circumstances such as unrectified material breach of the contract, force majeure or bankruptcy of a party.
<i>Confidentiality and intellectual property</i>	All confidential information provided by either party shall be used solely for the purposes of cooperation pursuant to the agreements and shall not be disclosed to any third party without prior written consent. The Supplier warrants that the supplied goods or services do not infringe upon third-party intellectual property rights, and shall indemnify the purchaser for any related claims.

Major suppliers

For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, purchase amount 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 was 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.

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The following table sets forth the details of the five largest suppliers in each year/period during the Track Record Period.

For the year ended December 31, 2023

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Payment method	Credit terms	Purchase amounts RMB'000	Percentage of total purchase amounts %
1.	Supplier A ⁽¹⁾	outsourced production service	2021	Bank transfer	60 to 90 days	25,743	16.5
2.	Supplier B ⁽²⁾	vehicle communication modules	2023	Bank transfer	90 days	24,261	15.6
3.	Supplier C ⁽³⁾	outsourcing production	2020	Bank transfer	30 to 60 days	20,633	13.2
4.	Supplier D ⁽⁴⁾	semiconductor chips and electronic components	2022	Bank transfer	30 days	9,312	6.0
5.	Supplier E ⁽⁵⁾	semiconductor products, electronic components, and modules	2020	Bank transfer	90 days	7,952	5.1
Total						87,901	56.4

For the year ended December 31, 2024

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Payment method	Credit terms	Purchase amounts RMB'000	Percentage of total purchase amounts %
1.	Supplier E	semiconductor products, electronic components, and modules	2020	Bank transfer	90 days	43,080	14.3
2.	Supplier B	vehicle communication modules	2023	Bank transfer	90 days	39,870	13.3
3.	Supplier A	outsourcing production	2021	Bank transfer	60 days	39,864	13.3
4.	Supplier D	semiconductor chips and electronic components	2022	Bank transfer	30 days	29,472	9.8
5.	Supplier F ⁽⁶⁾	electronic components	2016	Bank transfer	90 days	8,339	2.8
Total						160,625	53.5

BUSINESS

For the year ended December 31, 2025

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Payment method	Credit terms	Purchase amounts RMB'000	Percentage of total purchase amounts %
1.	Supplier G ⁽⁷⁾	electronic components and modules	2022	Bank transfer	90 days	96,018	30.2
2.	Supplier H ⁽⁸⁾	semiconductor chips and electronic components	2025	Bank transfer	30 days	22,368	7.0
3.	Supplier B	vehicle communication modules	2023	Bank transfer	90 days	21,136	6.6
4.	Supplier I ⁽⁹⁾	PCB board	2022	Bank transfer	60 days	11,792	3.7
5.	Supplier F	electronic components	2016	Bank transfer	90 days	11,321	3.6
Total						162,635	51.1

For the five months ended May 31, 2026

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Payment method	Credit terms	Purchase amounts RMB'000	Percentage of total purchase amounts %
1.	Supplier G	electronic components and modules	2022	Bank transfer	90 days	50,920	29.8
2.	Supplier H	semiconductor chips and electronic components	2025	Bank transfer	30 days	12,049	7.0
3.	Supplier B	vehicle communication modules	2023	Bank transfer	90 days	8,182	4.8
4.	Supplier J	equipment, auxiliary materials and packaging materials	2022	Bank transfer	60–180 days	6,596	3.9
5.	Supplier I	PCB board	2022	Bank transfer	60 days	6,053	3.5
Total						83,800	49.0

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Notes:

- (1) Supplier A, whose parent company was established in August 1995, is a group of PRC-based leading electronic manufacturing services (“EMS”) suppliers principally engaged in electronics manufacturing, assembly and related manufacturing support services. Based on publicly available information, its parent company has a registered capital of RMB767.46 million.
- (2) Supplier B, established in October 2022, is a PRC-incorporated smart IoT solutions supplier. Based on publicly available information, it has a registered capital of RMB5.0 million.
- (3) Supplier C, established in November 2016, is a PRC-incorporated automotive IoT/telematics solutions provider. Based on publicly available information, it has a registered capital of approximately RMB24.9 million.
- (4) Supplier D, established in September 2017, is a PRC-incorporated trade and customs declaration services provider. Based on publicly available information, it has a registered capital of RMB50.0 million.
- (5) Supplier E, established in May 2005, is a PRC-incorporated semiconductor brand authorized distributor. Based on publicly available information, it has a registered capital of RMB50.0 million.
- (6) Supplier F, established in August 2000, is a PRC-incorporated electronic components authorized distributor. Based on publicly available information, it has a registered capital of RMB100.0 million.
- (7) Supplier G, established in August 2021, is a PRC-incorporated electronic components authorized distributor. Based on publicly available information, it has a registered capital of RMB450.0 million.
- (8) Supplier H, established in July 2017, is a PRC-incorporated trade and customs declaration services provider. Based on publicly available information, it has a registered capital of RMB20.0 million.
- (9) Supplier I, established in June 2010, is a PRC-incorporated technology-innovative PCB manufacturer. Based on publicly available information, it has a registered capital of RMB200.0 million.
- (10) Supplier J, established in November 2008, is a PRC-incorporated comprehensive supplier of SMT/DIP peripheral equipment, automation equipment and PCB-related processing devices. Based on publicly available information, it has a registered capital of RMB10.0 million.

Our major suppliers during the Track Record Period were predominantly PRC-based suppliers operating in the automotive electronics and electronics supply chain. They generally comprised (i) electronic manufacturing services providers that provided outsourced production and assembly services, (ii) suppliers or distributors of vehicle communication modules, semiconductor chips, electronic components and related modules, (iii) PCB manufacturers, and (iv) supply chain, freight forwarding, customs clearance or related logistics service providers. Based on publicly available information, some of these suppliers were established industry participants serving automotive electronics, communications or broader electronics applications, and certain of them were associated with larger corporate groups, including PRC-listed groups, while others were private companies focused on specialized manufacturing, distribution or supply chain service functions.

To the best of our Directors’ knowledge, information and belief, having made all reasonable inquiries, each of our five largest suppliers during the Track Record Period and their respective ultimate beneficial owners was an Independent Third Party, and none of them was a connected person of our Company or any of our connected persons during the Track Record Period and up to the Latest Practicable Date.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We established comprehensive systems and procedures for warehousing, logistics and inventory management to standardize the entire process from receipt of materials, stock-in of inventory, return of manufacturing materials to finished product delivery. As of May 31, 2026, our Deqing Facility operated four self-owned warehousing centers: including a high standard electronic component warehouse (supported by electronic shelves and MES system), a structural component warehouse, a packaging material warehouse and a finished product warehouse. Meanwhile, our outsourced partners were equipped with similar warehousing management systems. These warehouses are co-located with or adjacent to our manufacturing sites to ensure real-time coordination between production and distribution functions. Moreover, we regularly review and update relevant procedures, which are published through ERP systems.

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We primarily cooperate with third-party logistics providers for transportation of our products. This approach enables cost optimization and operational scalability. Our logistics partners are selected through competitive evaluation based on service quality, price transparency, and historical performance. These partnerships are governed by annual framework agreements, which outline the key terms of our collaboration.

Our inventories comprise of raw materials, work in progress and finished products. Our inventory management is closely linked with our production plans and benefits from our strong relationships with customers and suppliers, which enable us to effectively manage the level of inventories, mitigate inventory-related risks and enhance our overall operational efficiency. To effectively manage our inventories, we have implemented an inventory management system that documents and monitors incoming and outgoing materials regularly to ensure that an optimal inventory level is maintained to satisfy the customer needs while minimizing any wastage and avoiding obsolescence. We closely manage inventory levels to support production. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, our inventory turnover days was 93 days, 73 days, 79 days and 98 days, respectively.

QUALITY CONTROL

We are committed to delivering high-performance, reliable, and consistent solutions to our customers. Our approach to quality control ensures that every product meets the highest standards throughout its lifecycle, from development to delivery.

Our MES are integral to our operations, enabling real-time monitoring of the production process. These systems help us identify deviations and potential issues promptly, ensuring smooth operations and optimal efficiency. By tracking key production performance indicators, we maintain continuous oversight to guarantee product quality and consistency.

Our quality control processes are aligned with internationally recognized standards, including IATF 16949. These standards are embedded across our production and contract manufacturing stages, ensuring that each product undergoes rigorous testing and evaluation.

We also emphasize employee training in product quality supervision, quality management, and safe operational procedures. All relevant employees involved in production and manufacturing processes undergo comprehensive training, with confidentiality agreements in place upon joining.

The following stages are involved in our strict quality control process:

- **Material inspection:** We begin with incoming material inspections, where each batch of raw materials is tested to meet the specific standards for that material type, such as components for electronics, sensors, and structural parts.
- **Production process monitoring:** During the production process, we ensure that all components, including high-precision electronics and mechanical parts, meet defined quality standards. For instance:
 - o **Surface-Mount Device (“SMD”) Placement:** We require a 99% throughput rate for all components placed during automated production.
 - o **Quality Measurement (“QM”) Stages:** Each part undergoes several checks in different quality measurement stages, particularly where manual interventions or sensitive processes are involved. This is essential to mitigate human error and environmental influences.
- **Final product inspection:** Every finished product undergoes a 100% quality check before shipment. This includes detailed visual inspections, functionality testing, and stress tests under varied environmental conditions.

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- **After-sales service and customer feedback:** Post-delivery, we maintain robust after-sales inspection protocols. If customers report issues, our after-sales service team conducts thorough inspections and quality assessments to rectify any identified concerns. This feedback loop allows us to continually improve our product quality.

To further enhance our quality control efforts, we are integrating emerging technologies such as AI-based defect detection systems, which will improve the efficiency and consistency of our production processes.

We place significant emphasis on the development of our quality control team, which is comprised of experts in manufacturing, development, and safety standards. All team members undergo extensive training, and we regularly update their knowledge to align with the latest industry standards, tools, and techniques. As of May 31, 2026, our quality control team consisted of 32 employees responsible for development quality testing, production quality confirmation, and the overall management of our production process. During the Track Record Period and up to the Latest Practicable Date, we did not have any material quality control issues, material product returns or material product recalls.

As a result of our commitment to quality control, we did not experience any material sales returns or any material product liability or major legal claims due to quality control issues, and did not experience any material products returns or recalls during the Track Record Period and up to the Latest Practicable Date.

TARIFF, TRADE RESTRICTION, EXPORT CONTROL, AND SANCTIONS IMPLICATIONS

U.S. Tariff Implications

In August 2017, the Office of the U.S. Trade Representative (“**USTR**”) initiated a Section 301 investigation into China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation. In March 2018, USTR concluded that China has engaged in practices that burden U.S. commerce and justify remedial action. Following such findings, the U.S. imposed tariffs on various goods of Chinese origin under four lists, most of which are subject to a 25% Section 301 tariff. USTR established a product exclusion process allowing companies to seek temporary relief from tariffs. In January 2020, the U.S. and China signed the “Phase One” Economic and Trade Agreement. Despite such agreement, most of these Section 301 tariffs remained in place.

Starting from February 2025, the U.S. government imposed a series of tariff increases on imports from China, including two sets of tariffs under the International Emergency Economic Powers Act (“**IEEPA**”). IEEPA tariff rates fluctuated between February 2025 and November 1, 2025, when the U.S. and China announced their agreement to relax certain tariff and other trade controls, and the U.S. lowered the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate of 20%. On February 20, 2026, the U.S. Supreme Court ruled that the President lacked authority to impose tariffs under IEEPA. The Trump Administration has already moved to replace the IEEPA tariffs with a 10% tariff under Section 122 of the Trade Act, effective February 24, 2026 for a period of 150 days. The Trump Administration has accordingly initiated additional Section 301 investigations on China, among other countries, targeting alleged structural excess capacity and the circulation of products made with forced labor. These investigations may result in additional duties on U.S. imports from China generally once the Section 122 duties expire.

All of our revenue during the Track Record Period was generated from customers in the PRC, and we did not record any revenue from overseas customers, including the U.S. The tariff regimes described above apply only to the importation of merchandise into U.S. commerce. Therefore, because we do not import such merchandise into the U.S., it is reasonable to conclude that U.S. tariffs have minimal impact on our business operations.

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U.S. Trade Restrictions on Connected Vehicles

On January 14, 2025, BIS released a final rule, effective March 17, 2025, prohibiting specific transactions involving the U.S. import or sale of connected vehicles and certain hardware and software with a sufficient nexus to the PRC or Russia (“**Connected Vehicle Rule**”). Among other things, the Connected Vehicle Rule places restrictions on two systems: Vehicle Connectivity Systems (“**VCS**”) and Automated Driving Systems (“**ADS**”). As defined in the Connected Vehicle Rule, VCS means a hardware (“**VCS Hardware**”) or software (“**VCS Software**”) item installed in or on a completed connected vehicle that directly enables the function of transmission, receipt, conversion, or processing of radio frequency communications at a frequency over 450 megahertz. ADS means hardware and software that, collectively, are capable of performing the entire dynamic driving task for a completed connected vehicle on a sustained basis, regardless of whether it is limited to a specific operational design domain. “Covered Software” is defined as the software-based components, including application, middleware, and system software, in which there is a foreign interest, executed by the primary processing unit or units of an item that directly enables the function of VCS or ADS at the vehicle level.

Starting from Model Year 2027, manufacturers will be prohibited from knowingly importing or selling in the U.S. connected vehicles that incorporate covered software that is designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC or Russia. Starting from Model Year 2030 (or January 1, 2029, for components without a model year), manufacturers are prohibited from knowingly importing into the U.S. VCS Hardware that is designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of the PRC or Russia.

We currently develop products that fall under the definitions of VCS Hardware and Covered Software, and are used in VCS, but not in ADS. However, our products are not incorporated into automobiles sold to end users in the U.S. Furthermore, we currently do not sell and do not plan to sell our products to the U.S. or for incorporation into connected vehicles that would be imported into the U.S.; accordingly, the impact of the Connected Vehicle Rule on us is limited.

U.S. Export Control Implications

Under the U.S. Export Administration Regulations (“**EAR**”), a license from the U.S. Department of Commerce, Bureau of Industry and Security (“**BIS**”) may be required for the export, re-export or in-country transfer of any items (including commodities, software, and technology) subject to the EAR. Items subject to the EAR include not only those made in or located within the United States, but also certain non-U.S.-made items. Depending on the destination country, end-user, and the export control classification number (“**ECCN**”) of the item, transferring, exporting, or reexporting an item subject to the EAR may require a U.S. export license unless a license exception is available. During the Track Record Period, certain of our Relevant Resources, including voltage converters, transceivers, switches, wireless microcontrollers and design software for printed circuit boards, are subject to the EAR, which means that the export, re-export and transfer of such Relevant Resources shall comply with the EAR. As advised by our International Sanction Adviser, all of the Relevant Resources subject to the EAR procured by us can be exported by our suppliers to us without a U.S. export license based on the ECCNs of such items and the corresponding destination-based controls. In addition, no entity within us nor any of our customers during the Track Record Period are included in the Entity List or other U.S. export control lists. Accordingly, we are able to receive the Relevant Resources and our receipt of these items are not subject to U.S. export license requirements.

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While these Relevant Resources subject to the EAR are important components incorporated into our products and software used to design our products, these items could generally be replaced from alternative sources in other jurisdictions around the world, at comparable quality and price. Accordingly, our Directors are of the view that our research and development activities and operations are not reliant on any technology or raw materials subject to the EAR to any material extent. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulties in procuring production materials from the U.S. or other jurisdictions. Our suppliers have not notified us of any changes or disruptions to supply arrangements. Our procurement, research and development, and expansion activities have proceeded normally. In addition, we continue to advance our efforts to identify and qualify alternative suppliers for most U.S.-origin components to further mitigate potential supply risks. Based on the foregoing, we are of the view that the procurement of such items does not, and is not expected to, have any materially adverse impact on our business operations or financial condition.

International Sanctions Implications

The U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) administers regulations imposing economic sanctions on countries and designated individuals and entities. The principal sanctions list maintained by OFAC is the Specially Designated Nationals and Blocked Persons List (“**SDN List**”), which includes persons determined by the U.S. government to be involved in activities that threaten or undermine U.S. national security or foreign policy objectives. Assets of persons designated on the SDN List are blocked, and U.S. persons are generally prohibited from dealing with them.

The EU and UK maintain sanctions regimes that include both country-specific programs (e.g., Russia, Belarus, Iran, Syria) and thematic regimes targeting activities such as cyber-attacks, terrorism, and human rights violations. Sanctions measures under these regimes may include asset freezes, restrictions on trade in goods and technology, financial and investment restrictions, trade bans, and travel restrictions, amongst others.

As advised by our International Sanction Adviser, our business operations, including our sales to customers and purchases from suppliers during the Track Record Period, did not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities and therefore did not fall within the scope of international sanctions.

This conclusion is based on, among other things, the following grounds: (i) no members of us are located, incorporated, organized, or domiciled in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities; (ii) neither our Company nor any of our subsidiaries is a Sanctioned Target or located in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities; (iii) none of our shareholders is located in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities or would be deemed as a Sanctioned Target; (iv) we are not owned 50% or more or controlled by any nationals of the Relevant Jurisdictions; and (v) we do not have any customers or suppliers on any sanctions lists maintained by the Relevant Sanctions Authorities.

In particular, as advised by our International Sanction Adviser, our sales to customers during the Track Record Period did not involve any Sanctioned Target or any customer located in countries or regions subject to comprehensive sanctions administered by the Relevant Sanctions Authorities, and therefore such sales did not fall within the scope of international sanctions. Therefore, we are of the view that we have not engaged in any sanctioned activities during the Track Record Period and up to the Latest Practicable Date. We will continue to monitor such developments and enhance compliance procedures to ensure adherence to applicable laws and regulations.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ESG Governance

ESG Management and Targets

We are committed to integrating environmental, social and governance, or ESG, principles into our business strategy and day-to-day operations. Guided by the principles of innovation, coordination, green development, openness and sharing, we seek to align our long-term development with sustainable business practices and the expectations of our stakeholders. We continue to strengthen our ESG governance framework and implementation capabilities to support the sustainable development of our business and the communities and environment in which we operate.

To support the effective implementation of our ESG initiatives, we have established a three-tier ESG governance structure consisting of oversight by the Board, coordination by the Sustainability Committee, and implementation by our functional departments. This structure is designed to provide clear accountability and efficient execution across different levels of the organization, and to support the orderly advancement of our ESG work.

- Decision-making level: As the highest management body for ESG matters, the Board determines our ESG development direction, strategies and objectives, considers and approves our ESG management systems, ESG reports and significant ESG matters, and ensures that ESG concepts are deeply integrated into our long-term development strategy;
- Management level: Under the authorization and leadership of the Board, the Sustainability Committee established under the Office of the General Manager is responsible for coordinating and promoting our ESG work. Its core responsibilities include researching, analyzing, and evaluating ESG-related matters, formulating our annual ESG work plan, guiding the execution and implementation of our sustainable development work, and providing important support for our ESG development;
- Execution level: Each functional department, as the specific implementation body for ESG work, actively implements various ESG initiatives and projects, and systematically calculates and summarizes ESG work progress data and performance information.

Identification of Material Issues

We have incorporated ESG risk management into our overall risk management framework and include ESG-related matters, such as climate change, emissions and waste, human capital, and privacy and data security, within our key areas of control. Based on communication with our stakeholders and taking into account our business development needs, we assess ESG matters across environmental, social and governance dimensions to better align our operations with stakeholder expectations and our own strategic priorities. Through interviews, surveys and other stakeholder engagement methods, we identify and assess ESG issues that are material to our business and prioritize those that may have a significant impact on our operations. On this basis, we formulate our list of material ESG issues and focus our ESG efforts on the areas that are most relevant to our business and stakeholders.

Environment	Social	Governance
<ul style="list-style-type: none"> • Management of Atmospheric Pollutants • Waste Disposal and Utilization • Energy Management • Water Resources Management 	<ul style="list-style-type: none"> • Labor Relations and Rights • Work Safety and Occupational Health • Supply Chain Management • Public Welfare • Product Quality and Safety • Career Development and Employee Benefits 	<ul style="list-style-type: none"> • Integrity and Anti-corruption • Corporate Governance • Risk Management • Information Disclosure • Protection of Shareholders’ Rights and Interests • Information Security Management • R&D and Innovation

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Compliance with Business Ethics

We strictly abide by the laws and regulations such as the Anti-Monopoly Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, the Anti-Money Laundering Law of the People’s Republic of China, and the Several Provisions on Prohibiting the Infringement of Trade Secrets, as well as the United Nations Convention against Corruption, and solidly promote anti-corruption, anti-commercial bribery, anti-fraud, and anti-money laundering work. We have integrated and formulated internal anti-corruption and anti-commercial bribery policies and systems, including the “Anti-Corruption and Anti-Commercial Bribery Management Procedures”, “Employee Handbook”, “Responsible Procurement Management Procedures”, “Information Security Incident Management Procedures”, and “Compliance Management Procedures”, which explicitly prohibit relevant illegal and non-compliant acts. The above systems explicitly require all employees and business partners not to participate in or assist in any form of bribery, extortion, fraud, money laundering, or other such acts, and establish strict approval, reporting, and supervision mechanisms.

In terms of specific measures, we prohibit all employees (including dispatched workers and temporary workers) from committing or accepting acts of corruption, bribery, fraud, and money laundering in any region and in any form; during the processes of supplier admission, evaluation, and cooperation, we explicitly require them to sign the “Commitment Letter for Sustainable Development Requirements of Partners” to commit to compliance with anti-corruption and anti-commercial bribery requirements, and incorporate their compliance performance into the performance evaluation system; meanwhile, we establish and improve financial internal control and audit mechanisms to conduct compliance reviews on all fund flows, procurement contracts, and large-scale transactions to prevent money laundering and fraud risks. In addition, we emphasize high-level supervision and cultural shaping; the Board and management bear ultimate responsibility for anti-corruption and anti-money laundering work, and create an enterprise atmosphere of integrity through means such as the construction of a culture of integrity and warnings from typical cases.

In addition, to establish a prevention mechanism, we regularly conduct special training on anti-corruption, anti-commercial bribery, anti-money laundering, and business ethics. In 2024, 4 relevant training sessions were conducted, with a 100% coverage rate for all employees. At the same time, we established a sound whistleblowing and protection system: set up dedicated whistleblowing channels (including confidential mailboxes) to encourage employees and business partners to report non-compliance behaviors on a real-name or anonymous basis. All reports shall be independently investigated by the Internal Control Department, and the confidentiality of the whistleblower’s information shall be strictly ensured.

During the Track Record Period and up to the Latest Practicable Date, there were no cases relating to bribery, extortion, fraud or money laundering involving us, nor any material internal disciplinary violations or breaches of business ethics. We will continue to improve our compliance management system and strengthen risk monitoring and process supervision.

Green Development

Environmental Management System

We strictly comply with laws and regulations such as the Environmental Protection Law of the People’s Republic of China and the Environmental Impact Assessment Law of the People’s Republic of China, establish a comprehensive environmental management philosophy, formulate internal management schemes such as the “Environmental Objectives, Indicators and Management Schemes”, and improve the environmental management organizational system to ensure the effective advancement and implementation of environmental management and safety work. In 2024, we compiled our environmental management system documents and formulated a number of procedural documents, such as the “Control Procedures for Monitoring and Measuring Devices” and the “Control Procedures for Addressing Risks and Opportunities”, to strengthen the systematic development of environmental management and standardize environmental management work.

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Addressing Climate Change

Climate change is a common global challenge. In order to actively respond to the national call for green and low-carbon development, and to thoroughly implement the national goals and requirements for green and low-carbon development, we have actively taken measures to reduce the carbon footprint of our products, improve energy efficiency, promote green technological innovation, establish and improve a green, low-carbon and circular development system, accelerate the promotion of a comprehensive green transformation, set a new benchmark for green, low-carbon and circular development, earnestly fulfill our social responsibilities, contribute to the achievement of the national “carbon peak and carbon neutrality” goals, and effectively respond to the challenges brought by climate change. We aim to achieve a carbon emission reduction of more than 20% by 2030 in terms of greenhouse gas emissions.

We have integrated the response to climate change into our ESG governance scope. Based on ESG-related supervision and advanced industry practices, we have established a trinity governance structure comprising the strategic level, management level, and execution level:

- Strategic level: The Board is responsible for overseeing the management and progress of climate change issues, deliberating on annual emission reduction performance targets, and reviewing reports covering the material issue of “Responding to Climate Change” on an annual basis.
- Management level: Our Sustainability Committee is responsible for identifying and managing the climate risks and opportunities, formulating and supervising the implementation of greenhouse gas emission reduction strategies, and conducting regular assessments of the implementation status of various departments, so as to gradually improve our adaptability and resilience to climate change, and ensure that we maintain a steady operational posture under the increasingly severe global climate change situation.
- Execution level: Each business department shall integrate established risk control measures into daily production and operational processes, and periodically calculate and report greenhouse gas emission performance.

At the strategic level of addressing climate change, we implement the state’s relevant policies on energy conservation and emission reduction, identify greenhouse gas emission sources during the operation process, calculate greenhouse gas emission data for Scope 1 (direct emissions), Scope 2 (indirect emissions), and Scope 3 (other indirect emissions), and provide support for formulating response policies and scientifically planning emission reduction pathways, ensuring that every step of action moves towards the goals of carbon peaking and carbon neutrality.

	2023	2024	2025
Scope 1 greenhouse gas emissions (tons CO ₂ e)	12.0	30.5	25.4
Scope 2 greenhouse gas emissions (tons CO ₂ e)	343.9	709.0	825.8
Scope 3 greenhouse gas emissions (tons CO ₂ e)	2,000.2	1,985.4	2,396.0
Total greenhouse gas emissions (tons CO ₂ e)	2,356.0	2,725.0	3,247.2
Greenhouse gas emission intensity (tons CO ₂ e/RMB million revenue)	11.4	6.8	7.2

Note: The industrial average intensity of greenhouse gas emissions is approximately 5-15 tonnes of CO₂ equivalent per RMB million revenue.

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In terms of risks and opportunities, we have established a full-process closed-loop risk management system with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework. By reviewing existing business activities, we meticulously evaluate and analyze the climate change risks that may be encountered at each business process point, deeply explore the potential impacts on our operations and finances, formulate response strategies and plans based on the risk assessment results, and rely on a three-tier management structure and supporting specialized systems to ensure execution. At the same time, systematic risk control is achieved through regular assessments and annual report reviews to evaluate and recap effectiveness. In addition, we actively explore opportunities arising from climate change to enhance our performance in climate change governance.

First, we classify climate-related risks into physical risks and transition risks as a whole, and further refine and summarize six types of risks, and have conducted a systematic assessment in terms of the potential impact, impact period and response strategies of the risk types:

(1) Physical risks

Type of Risk	Description	Impact period	Potential Impact	Response Strategy
Acute Risk	Frequent extreme weather (such as rainstorms and high temperatures) may lead to equipment damage, production interruptions, high risk exposure of infrastructure, and disruption of supply chains and logistics	Short-term	<ul style="list-style-type: none"> Affecting product delivery and business continuity Rising energy costs, increasing operating costs and affecting long-term production capacity layout 	<ul style="list-style-type: none"> Strengthen the safety protection of our assets, conduct regular inspections and maintenance of key equipment and infrastructure, to reduce maintenance costs and operational risks, and safeguard the normal operations Formulate the “Emergency Plan Control Procedures” and conduct emergency drills for extreme weather Strengthen climate resilience assessment and reinforcement of production facilities and supply chains Purchase relevant property insurance to mitigate financial losses

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Type of Risk	Description	Impact period	Potential Impact	Response Strategy
Chronic Risk	Global warming may lead to sustained high temperatures in certain regions, which may result in increased electricity consumption, supply shortages and impacts on equipment performance, thereby affecting the normal operations or increasing additional costs	Medium- to long-term		<ul style="list-style-type: none"> Closely monitor climate change trends, prioritize the use of energy-saving equipment, and adopt new materials and technologies that are high-temperature resistant and corrosion-resistant to enhance the anti-aging performance of equipment Promoting water conservation and energy efficiency enhancement projects at production facilities Optimize the regional layout of the supply chain to reduce climate dependence on a single region Incorporating climate resilience into site selection and construction standards for new bases
	Changes in precipitation patterns may affect regional water supply and lead to rising energy costs	Medium- to long-term		

(2) Transition Risks

Type of Risk	Description	Impact period	Potential Impact	Response Strategy
Policy and Legal Risks	Domestic and international carbon emission reduction and environmental protection regulations are becoming increasingly stringent, which may lead to risks such as rising compliance costs, product access restrictions, and trade barriers including carbon tariffs	Short to medium-term	Increase in operating costs: To comply with environmental policy requirements, substantial capital investment may be required to improve production processes and to upgrade high energy-consuming equipment	<ul style="list-style-type: none"> establish a policy tracking mechanism to adjust compliance strategies in a timely manner; promote the green transformation of the supply chain and ensure compliance throughout the chain; Actively participate in policy discussions and industry dialogs

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Type of Risk	Description	Impact period	Potential Impact	Response Strategy
Reputational Risks	As stakeholders pay increasing attention to performance in addressing climate change, if we are exposed for high carbon emissions, high energy consumption, or a lack of climate action, it may trigger public criticism, affecting brand image and public trust	Medium- to long-term	If our reputation is damaged, stakeholders such as customers may develop a sense of distrust towards the products and ESG performance of the enterprise, which in turn may affect our market competitiveness and lead to a decline in operating income	<ul style="list-style-type: none"> Implement environmental protection concepts during the production and operation process, and disclose in a timely manner the measures taken in response to climate change; Actively disclose annual carbon emission reduction progress and ESG reports to enhance transparency; Establish media communication mechanisms to respond to climate-related concerns in a timely manner; Launching public open days and carbon neutrality themed publicity to shape a responsible corporate image
Market Risks	Customer demand for low-carbon products is increasing; if we fail to provide green solutions, it may face loss of market share and a decline in brand competitiveness	Medium- to long-term	If we fail to meet market demand for low-carbon products, it may face loss of market share and a decline in brand competitiveness	<ul style="list-style-type: none"> Continue to research and develop green products that are low-power, lightweight, and recyclable; Carry out product carbon footprint accounting and low-carbon certification; Strengthening strategic cooperation with green vehicle manufacturers
Supply Chain Risks	Our supply chain covers multiple stages; if suppliers fail to simultaneously promote green and low-carbon transformation, procurement costs may increase	Medium- to long-term	Increase in procurement costs, leading to an increase in operating costs	<ul style="list-style-type: none"> When formulating procurement strategies, fully consider green and low-carbon transition factors, and give priority to suppliers that have already actively promoted or are actively promoting green and low-carbon transition

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Meanwhile, in terms of potential opportunities arising from climate change, we have also identified two major types of opportunities: products and markets, and energy management.

Opportunity type	Description	Impact period	Response Measures
Products and Markets	The rapid growth of the new energy vehicle and intelligent connected vehicle markets has driven demand for products such as low-carbon communication terminals and green gateways, bringing new growth points to us	Long-term	<ul style="list-style-type: none"> Accelerate the research and development and market promotion of 5G/V2X green communication terminal products; Expand cooperation with new energy vehicle enterprises to provide low-carbon solutions; Participate in government green procurement and demonstration projects
Energy Management	Reduce energy and resource consumption through the implementation of energy conservation, emission reduction, and circular economy measures to achieve operational cost savings and enhance profitability	Long-term	<ul style="list-style-type: none"> Continuously promote energy-saving transformation and waste resource utilization in production processes; Establish an energy management platform to achieve real-time monitoring and optimization of energy consumption; Promoting green office and digital paperless operations

Energy Management

We strictly comply with relevant laws and regulations such as the Energy Conservation Law of the People’s Republic of China and the Cleaner Production Promotion Law of the People’s Republic of China, adhere to the energy policy of “low-carbon and environmental protection, clean manufacturing”, clarify the division of responsibilities for energy management, comprehensively carry out work such as energy management risk identification and assessment, continuously optimize the energy management platform, and constantly strengthen energy management.

With reference to applicable laws, regulations and standards, and taking into account our operational needs, we apply a systematic approach to improving energy performance, including energy efficiency, energy use and energy consumption. To improve energy efficiency and reduce energy waste, we have identified our principal energy types and adopted our Energy Saving and Consumption Reduction Management Specifications. We also implement measures such as optimizing production equipment and processes, using energy-saving lighting, strengthening air-conditioning temperature control and promoting water conservation, while enhancing employee awareness of energy conservation. By the end of 2027, we aim to control the total energy consumption by 5-10%.

BUSINESS

Currently, liquid nitrogen and purchased electricity are the principal sources of energy used in our operations. Going forward, while seeking to support our business growth, we intend to continue optimizing our energy structure and improving energy efficiency, with a view to promoting energy conservation and reducing carbon emissions.

	2023	2024	2025
Total Energy Consumption (tons of standard coal equivalent)	85.7	181.5	203.0
Energy consumption intensity (tons of standard coal equivalent/RMB million revenue)	0.4	0.5	0.5

Note: The industrial average intensity of energy consumption is approximately 1–5 tonnes of standard coal equivalent per RMB million revenue.

Water Resources Management

We strictly comply with relevant laws and regulations such as the Water Law of the People’s Republic of China, implement standardized water use management, protect drinking water sources, and perform well in water conservation work. We have formulated the “Energy Saving and Consumption Reduction Management Specifications”, which stipulate relevant water use management and require relevant departments to conduct statistical summaries and notifications of water resource consumption on a monthly basis, analyze abnormalities, and continuously promote the effective utilization and conservation of energy and resources. By the end of 2027, we aim to control the total water resource consumption within 1,000 tons.

We actively advocate the concept of water conservation, continuously enhances employees’ awareness and habits regarding water saving, and promotes the recycling and reuse of water resources, contributing to the protection of water resources.

	2023	2024	2025
Total water consumption (tons)	440	981	1,268
Water consumption intensity (tons/RMB million revenue)	2.1	2.5	2.8

Note: The industrial average intensity of water consumption is approximately 1–10 tonnes per RMB million revenue.

Waste and Pollutant Management

We have established an environmental management framework and implement emissions management measures in the course of our operations. To support continuous improvement in environmental performance, we have set environmental targets covering, among other things, the timely classification and disposal of solid waste, compliant discharge of exhaust gas, wastewater and noise, and regular monitoring of relevant departmental performance against these targets. By the end of 2027, we aim to cut exhaust gas emissions by 5%, wastewater discharge by 5% and waste discharge by 2%.

BUSINESS

In relation to waste management, we treat the reduction and elimination of waste as an important part of our environmental management efforts. We have adopted the Notice on the Issuance of the Administrative Measures for Waste Recycling and Disposal and established a waste management system to promote waste reduction, recycling and compliant disposal. We classify waste into non-hazardous waste and hazardous waste and apply corresponding collection, storage and disposal procedures. For hazardous waste and recyclable waste, we implement specified collection, storage and disposal processes to support traceability and compliant treatment. Our hazardous waste management ledgers have been approved by the relevant local ecological and environmental authorities, and transfers are handled in accordance with applicable environmental protection requirements. During the Track Record Period, all of our waste was handled in accordance with applicable laws and regulations and did not result in any material adverse impact on the surrounding environment.

In terms of air emission management, the air emissions involved in the production and operation process mainly include acid gas emissions generated during the reflow soldering and wave soldering processes, as well as refrigerant fugitive emissions from the use of air conditioners, and emissions from the use of NaClO₃ in fire extinguishers, etc. We strictly comply with relevant national and local exhaust gas emission standards. With the objective of ensuring that “emission volumes are lower than the volumes approved by the government and emission concentrations are lower than the national emission limits”, we treat the exhaust gas we generate to meet the standards before discharge, and periodically issues annual monitoring reports to monitor its own exhaust gas emissions, while continuously taking measures to reduce our exhaust gas emissions so as to minimize the impact on the environment. During the Track Record Period, the concentrations of various pollutants in the exhaust gas emitted by us complied with the limit values of standards such as the Integrated Emission Standard of Air Pollutants of the National Standards of the People’s Republic of China and the Regulations of Zhejiang Province on the Prevention and Control of Atmospheric Pollution, and no incidents of excessive exhaust gas emissions occurred.

By the end of 2027, we aim to reduce the exhaust gas emission and wastewater discharge by 5% respectively, and reduce the solid waste emissions by 2%.

	2023	2024	2025
Solid waste emissions (tons)	7.5	15.2	17.7
Exhaust gas emissions (tons)	2.0	4.0	4.0
Wastewater discharge (tons)	894.8	1,457.3	1,949.6
Solid waste emissions intensity (tons/RMB million revenue)	0.04	0.04	0.04
Exhaust gas emission intensity (tons/RMB million revenue)	0.01	0.01	0.01
Wastewater discharge intensity (tons/RMB million revenue)	4.3	3.7	4.3

Responsible Partnership

Product Quality and Service

We have always adhered to the quality policy of “Innovation First, Manufacturing-Oriented, Scientific Management, Teamwork, Continuous Improvement, Customer Satisfaction” and the cybersecurity policy of “Clear Responsibilities, Departmental Collaboration, Strengthening Weaknesses, Urgency First, Continuous Improvement, Customer Satisfaction”. In accordance with IATF16949:2016 Quality Management System Requirements for Automotive Production and Relevant Service Parts Organizations and ISO21434:2021 Road Vehicles Cybersecurity Engineering, we have established a comprehensive quality governance system and continuously improved our service quality control capabilities. To strive to contribute to the rapid and healthy development of China’s automotive industry with high-quality products, reasonable prices and satisfactory services.

BUSINESS

To implement these principles, we have adopted internal procedures including the Quality Manual, Product Monitoring and Measurement Control Procedure, PPAP Control Procedure, FMEA Control Procedure, Quality Improvement Control Procedure and Service Management Control Procedure. These procedures are intended to help us understand and address customer requirements relating to automotive production parts, related service parts and vehicle cybersecurity, with a view to maintaining customer satisfaction. We have obtained IATF 16949:2016 quality management system certification and arrange for annual supervisory audits by external institutions.

We also value customer feedback and seek to understand customer needs and expectations, assess whether our products and services meet customer requirements, address deficiencies and support continuous improvement. Under our Satisfaction Survey Control Procedures, our marketing center is required to collect customer satisfaction information at least once a year through various channels, including telephone, email, correspondence, visits and third-party engagement, and to analyze the results using statistical tools. This process is intended to provide an objective basis for evaluating our performance in product quality and services and for further improving customer satisfaction. We have also adopted Product Recall Management Measures to standardize our product recall procedures. During the Track Record Period, no product recall occurred, and our overall customer satisfaction rate was 94%.

Sustainable Supply Chain

We incorporate ESG considerations into our supply chain management and seek to promote a transparent and responsible supply chain environment, maintain stable and transparent relationships with our suppliers and support the development of a sustainable industry ecosystem.

In terms of supply chain management, in order to ensure the security of material supply, reduce supply risks, select law-abiding and compliant business partners, create a responsible supply chain, and protect the legitimate rights and interests of the enterprise and its business partners, we have established comprehensive supplier management regulations. We have formulated procedures such as the “Supplier Development and Management Control Procedures”, the “Measures for the Management of Supplier Performance Evaluation”, and the “Responsible Procurement Management Procedures”. Pursuant to these procedures and measures, we manage raw materials, purchased parts, outsourced processing, and other outsourced suppliers (including cybersecurity suppliers). We conduct detailed inspections of the qualifications and capabilities of its suppliers on a regular basis, while implementing strict supervision over their operating conditions, quality control capabilities, environmental safety management, and other aspects.

In selecting and evaluating suppliers, departments including our Procurement Department, Quality Center and research and development center assess suppliers from multiple perspectives, including supplier management capability, production capability, after-sales service capability, quality system qualifications, environmental protection qualifications and cybersecurity system qualifications.

In our procurement activities, we seek to ensure that our supply chain meets standards relating to social responsibility, environmental protection and ethical compliance. In accordance with the United Nations Global Compact, International Labour Organization standards and applicable laws and regulations, we have adopted our Responsible Procurement Management Procedures, which include supplier due diligence requirements. Based on principles of compliance, full-chain responsibility and continuous improvement, we apply measures such as tiered evaluation, capacity-building support, risk monitoring and information disclosure to manage supplier selection, assessment, cooperation and exit. We also enter into a Letter of Commitment on Sustainability Requirements for Partners with our suppliers. As metallic materials are important to the functioning of our products, this commitment also requires suppliers to confirm that the metals in the delivered products do not originate from conflict regions or illegal trade channels and to establish raw material traceability systems.

Going forward, we intend to continue strengthening our supply chain system, enhancing core supply chain management, closely managing inventory stagnation and improving responsiveness, cost efficiency and product quality through agile manufacturing.

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Employee Development

We consistently adhere to a people-oriented approach and are committed to providing employees with a safe, healthy, equal, and growth-oriented work environment, continuously enhancing employee satisfaction and sense of belonging, and achieving the mutual growth of employees and the enterprise.

In terms of the protection of employees’ rights and interests, we strictly comply with national laws and regulations such as the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, as well as the core conventions of the International Labor Organization, resolutely oppose any form of forced labor, child labor employment, discrimination and harassment, and earnestly protect the legitimate rights and interests of employees. At the same time, we have formulated systems such as the “Employee Handbook”, the “Human Resources Management Procedures”, the “Labor Rights and Interests Protection Management Procedures”, and the “Labor Contract Management Procedures”, and has established formal “Grievance and Complaint Management Procedures”, to actively advocate for equal employment, adhere to equal pay for equal work, ensure that employees are not discriminated against during the recruitment process due to factors such as race, gender, age, marital status, and religious belief, eliminate the use of child labor, forced labor, sexual harassment and any misconduct, and resolutely safeguard the dignity and safety of every employee. Meanwhile, we strictly implement the national working hour system and reasonably arranges working hours. Employees are entitled to various types of leave such as paid annual leave, statutory holidays, marriage and bereavement leave, and maternity leave in accordance with the law.

In addition, we consistently focus on the career development of our employees, establishing fair and impartial promotion mechanisms and constructing a scientific employee training system to provide employees with broad space for career development. We have formulated systems such as the “Human Resources Management Procedures” and the “System for Training and Further Education of Technical Personnel”, and formulates an “Annual Training Plan” every year, covering multiple dimensions such as new employee training, corporate culture, professional skills, and management capabilities. We assess employee competence through a “Staff Skills Matrix” and formulates personalized career development plans for them. In terms of employee promotion paths, we have established dual career development channels consisting of a “management sequence” and a “professional sequence”, and employees may choose their development paths based on their own capabilities and career planning. The promotion mechanism is open and transparent, based on performance evaluation and competency, with position grade assessment and promotion review conducted annually.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any incident relating to child labor, forced labor or discrimination, nor did we receive any complaint relating to workplace sexual harassment or bullying. We intend to continue improving our prevention and response mechanisms to help protect the dignity and rights of our employees.

	2023	2024	2025
Total Number of Employees	183	239	265
By gender:			
Male employees	127	175	195
Female employees	56	64	70
By age:			
50 years old and above	4	5	5
30–49 years old	88	107	104
30 years old and below	91	127	156
By profession:			
R&D	78	100	138
Management and Administration	14	22	39
Finance	6	7	12
Sales	13	21	9
Production and Manufacturing	72	89	67

BUSINESS

Occupational Health and Safety

We place significant importance on the health and safety of our employees and comply with applicable laws and regulations, including the Work Safety Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Identification of Major Hazard Installations and the Regulations on the Safety Management of Hazardous Chemicals. Guided by our occupational health and safety policy of “compliance with regulations and laws, people-oriented, risk prevention and safe production,” we have established and continue to improve our occupational health and safety management system. To support workplace safety, we have adopted internal policies and procedures, including our Emergency Plan Control Procedures, Fire-fighting Equipment Management Specifications, Solid Waste Management Measures and Chemical Warehouse Management Specifications. We have also established an emergency response structure and formulated response plans for incidents such as fire, flooding, chemical spills and oil spills, with a view to reducing occupational health and safety risks in our operations. In addition, we make social insurance and housing fund contributions for our employees in accordance with local requirements, including work-related injury insurance, and provide health and safety training covering environmental, health and safety matters to enhance employee awareness of workplace risks. During the Track Record period and up to the Latest Practicable Date, we did not experience any major safety accident or work-related injury, and no work-related fatality occurred.

Community Contributions

We have always regarded “rooting in China, serving the community, and giving back to society” as an important component of the corporate sustainable development, advocating the “Three Cares” cultural philosophy (caring for employees, caring for the community, and caring for the environment), actively fulfilling corporate social responsibilities, and incorporating community care into the corporate culture construction system, so as to promote the formation of a community integration mechanism with full participation, continuous feedback, and dynamic optimization.

In relation to educational support, we carry out technology outreach and student support initiatives by drawing on our technological capabilities and industry resources. These initiatives include technology-related activities for local communities and support for technological innovation education in local primary and secondary schools. In addition, since 2016, we have opened our innovation and entrepreneurship platform to the public and have provided technical guidance, resource sharing and incubation support for university students, entrepreneurial teams and small businesses.

In relation to environmental protection, we promote green operations through measures such as energy conservation and emission reduction, waste classification and resource recycling, and we also promote environmental awareness among employees and community residents. We have also participated in the development of green industry standards and environmental protection technical standards relating to intelligent connected vehicles.

We also support employee welfare and hardship assistance initiatives and encourage our employees to participate in community volunteer services, with a view to extending our culture of care beyond our organization and into the communities in which we operate.

In recent years, we have continuously invested resources in social welfare projects, and no major community complaints occurred during the Track Record Period. Through various forms such as technological empowerment, opening up of resources, and volunteer services, we have effectively supported the sustainable development of the community. Looking ahead, we will continue to improve our community contribution mechanism, deepen interest sharing and value co-creation with the community, and actively fulfill our corporate mission of “rooting in China and giving back to society”.

BUSINESS

INTERNAL CONTROL AND RISK MANAGEMENT

Our approach to internal control and risk management is meticulously designed to safeguard our assets, ensure operational continuity, and promote compliance with industry regulations. We implement a robust framework to proactively identify, assess, and mitigate risks across all facets of our operations. This framework aligns with industry best practices and regulatory requirements, providing us with the tools to manage potential risks that could impact our operations, financial performance, and reputation.

We have a well-defined internal control system, which is consistently updated to adapt to changes in the business environment and evolving regulatory requirements. These controls are integral to our business strategy and play a crucial role in monitoring key risk areas, such as financial reporting, operational effectiveness, and compliance with legal obligations. Regular audits and evaluations are conducted to identify any gaps, and corrective actions are implemented to strengthen the internal control environment. The framework aims to mitigate risks related to financial inaccuracies, fraud, regulatory non-compliance, and operational inefficiencies.

To ensure the above compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we will regularly conduct internal compliance checks and inspirations, adopt strict accountability internally and conduct compliance training.

DATA PRIVACY, CYBERSECURITY

Data security and protection are among our highest priorities. We have adopted strict data protection and information security policies and procedures and obtained relevant certifications, including ISO 27001 information security management system certification and ISO 21434 road vehicles cybersecurity engineering certification, to support our compliance with applicable data security, privacy and cybersecurity laws and regulations.

As a provider of in-vehicle intelligent connectivity solutions, we do not collect any data directly from end users, namely vehicle owners, through our solutions. Any collection and processing of vehicle operation data are carried out strictly in accordance with the technical requirements of OEMs, and such data does not contain any personally identifiable information. The relevant OEM acts as the data controller and is responsible for obtaining the necessary consents from end users and fulfilling the applicable notification obligations in accordance with law, and we do not participate in that consent management process. All data transmitted through our products belongs to and remains under the control of the relevant OEM. We do not share such data with OEMs or jointly process such data with them as a matter of legal arrangement, nor do we have any independent right to access, interpret or use such data. We do not operate any cloud platform, nor do we use any public cloud, private cloud or state-owned cloud for data storage or processing in our business operations.

Except for the provision of necessary personal information of our Directors, Supervisors and senior management for [REDACTED] purposes, the provision of data required for product certification in connection with vehicle models exported by OEMs to overseas markets, and the outbound transfer of necessary personal information in connection with the establishment and registration of overseas entities, our business did not involve any other form of cross-border data transfer during the Track Record Period and up to the Latest Practicable Date. We have completed the applicable notification and consent procedures in respect of such data transfer activities in accordance with applicable legal requirements.

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We have established an information security management system covering the full lifecycle of data. In terms of access control, we manage user access rights to our application systems to prevent unauthorized access to sensitive data. In terms of system monitoring, we maintain logs of network equipment operation and user activities and conduct periodic reviews. In terms of backup management, we perform regular backup of important business data and maintain off-site storage arrangements. In terms of cybersecurity, we implement firewall strategies and communication encryption measures. In terms of information classification, we classify information by level and apply full-process control measures to confidential information.

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Data Adviser, we had complied, in all material respects, with the applicable laws and regulations relating to data privacy and cybersecurity.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we owned a parcel of land in Hangzhou with a total site area of approximately 12,336 square meters for industrial use.

As of the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Leased Properties

As of the Latest Practicable Date, we leased nine properties with a total gross floor area of approximately 8,514.8 square meters, including properties located in Hangzhou, Deqing, Shanghai and Shenzhen. These leased properties are primarily used for production plants, research and development centers, regional offices, warehousing, or other business support functions.

INSURANCE

We maintain a number of insurance policies to cover potential liabilities in our daily operation, such as property insurance and employee accident insurance. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by Chinese laws and regulations and, according to Frost & Sullivan, in accordance with the commercial practices in the industries in which we operate.

During the Track Record Period and up to the Latest Practicable Date, we did not make and were not the subject of, any insurance claims which are material to our business or financial condition. We consider our insurance coverage to be adequate and consistent with the customary industry practices in the jurisdictions in which we operate. However, our insurance coverage may not always be sufficient to cover all potential losses, liabilities or damages, including those arising from unexpected or uninsured risks. For details, please refer to “Risk Factors – Risks Relating to Our Business and Industry –We may not have sufficient insurance coverage to cover our business risks.” in this document.

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EMPLOYEES

As of May 31, 2026, we had a total of 274 full-time employees, all of whom were located in Chinese Mainland. The tables below set forth a breakdown of our employees by department or function as of the same date:

Department/Function	Number of Employees	Percentage %
Production Department	27	9.9
Sales Department	12	4.4
Procurement Department	12	4.4
Quality Department	32	11.7
Technology Department	149	54.4
Finance Department	10	3.7
Administration Department	32	11.7
Total	274	100.0

We place strong emphasis on talent acquisition and employee development. Our recruitment channels include online platforms, campus job fairs, localized talent markets, as well as internal referrals and third-party headhunting services. All candidates undergo multi-stage screening, including video or in-person interviews and technical assessments, to ensure alignment with our job expectations and corporate values.

To support employee onboarding and integration, we offer systematic training programs and mentorship. We also strive to maintain a supportive and balanced working environment. In addition to statutory benefits such as pension and medical insurance, we offer annual leave and relocation support such as free dormitories or rental subsidies for non-local and young staff.

None of our employees are represented by a union or collective bargaining agreements. We believe that we have good employment relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes, work stoppages, labor disputes or other actions which had a material adverse effect on our business and operations.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all material licenses, approvals and permits required for our business operations in the PRC. and such licenses, approvals and permits had remained in full effect. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuously overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits. As advised by our PRC Legal Advisers, provided that there is no material adjustment to existing laws and regulations and no material adverse changes to the license renewal conditions, there is no material legal impediment to renewing our licenses required for our business operations.

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The following table sets forth details of the material licenses, approvals and permits that we currently hold:

License/approval/permit	Issuing authority	Number of certificates held	Validity Period
Network Access License for Telecommunications Equipment (In-vehicle wireless terminal)	Ministry of Industry and Information Technology of the People’s Republic of China	17-E048-252371	July 21, 2025 – July 21, 2028
		17-E048-251495	May 19, 2025 – May 19, 2028
		17-E048-254198	December 30, 2025 – December 30, 2028
		17-E048-254197	December 30, 2025 – December 30, 2028
		17-E048-254206	December 30, 2025 – December 30, 2028
Radio Transmission Equipment Type Approval Certificate	Ministry of Industry and Information Technology of the People’s Republic of China	25C333UYC140	August 1, 2025 – April 30, 2030
		25C333UY6115	July 11, 2025 – April 21, 2030
		25C333UYU648	December 19, 2025 – December 19, 2030
		25C333UY6216	December 19, 2025 – December 19, 2030
		25C333UY0045	December 19, 2025 – December 19, 2030
CCC / Telecommunication Terminal Equipment Certification	National Certification and Accreditation Administration	2025011606801803	August 11, 2025 – August 10, 2030
		2025011606803280	October 20, 2025 – August 4, 2030
		2025011606820137	October 23, 2025 – August 5, 2030
		2025011606823652	November 5, 2025 -November 4, 2030
		2025011606838350	December 29, 2025 – November 3, 2030
		2025011606838349	December 29, 2025 – November 3, 2030
		2025011606838345	December 29, 2025 – November 3, 2030

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any administrative penalties, bankruptcy or receivership proceedings), which we believe would have a material adverse effect on our business, results of operations or financial condition. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which we believe would have a material adverse effect on our business, results of operations or financial condition.

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Non-compliance Incidents

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any systemic non-compliance incidents. We had not been and were not subject to any administrative penalties, rectification orders or enforcement actions that had, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that the non-compliance matters disclosed below were limited in scope, have been or are being rectified, and did not amount to systemic non-compliance incidents.

Social Insurance and Housing Provident Fund Contributions

During the Track Record Period and up to the Latest Practicable Date, we did not fully make the required social insurance and housing provident fund contributions for certain employees. Specifically, in certain cases, the relevant contributions were not made on a timely basis or were made based on payment bases lower than those required under applicable laws and regulations, and for a small number of employees we engaged third-party human resources service providers to make such contributions. The total shortfall amount of social insurance contributions was approximately RMB1.4 million, RMB2.6 million, RMB3.7 million and RMB2.0 million for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, respectively. The shortfall amount of housing provident fund contributions was approximately RMB54 thousand, RMB55 thousand, RMB85 thousand and RMB25 thousand for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, respectively.

Under the Social Insurance Law of the People’s Republic of China, where an employer fails to make social insurance contributions in full and on time, the competent authority may order the employer to make up the shortfall within a prescribed period and impose a late payment surcharge at the rate of 0.05% per day from the date of underpayment. A fine ranging from one to three times the amount underpaid may only be imposed if the employer fails to make up the shortfall within the prescribed period after being so ordered. Under the Regulations on the Administration of Housing Provident Fund, where an employer fails to make housing provident fund contributions in full or on time, the housing provident fund management center may order the employer to make up the shortfall within a prescribed period. In addition to the nation-wide Regulations on the Administration of Housing Provident Fund, the employer may further be imposed a late payment surcharge at the rate of 0.1% per day from the date of underpayment by the competent local authority under the Zhejiang Province’s regionally applicable Regulations on Housing Provident Fund. And if the employer still fails to make the requested payments, the housing provident fund management center may apply to the PRC people’s court for compulsory enforcement. The fine of RMB10,000 to RMB50,000 under the same regulation applies to failure to complete housing provident fund contribution registration or account opening procedures, rather than mere underpayment or late payment.

Based on the foregoing and for prudence, the estimated maximum potential exposure in respect of the above social insurance and housing provident fund shortfalls, calculated as of the Latest Practicable Date, was approximately RMB11.8 million in aggregate, consisting of (i) outstanding shortfall amounts of approximately RMB9.9 million; (ii) late payment surcharges of approximately RMB1.8 million calculated at the rate of 0.05% per day for the relevant social insurance shortfalls; and (iii) late payment surcharges of approximately RMB99 thousand calculated at the rate of 0.1% per day for the relevant housing provident funds shortfalls.

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Our PRC Legal Advisers are of the view that, among other things, (i) neither we nor our PRC subsidiaries had been subject to any administrative penalties in relation to social insurance and housing provident fund contributions during the Track Record Period, (ii) based on the promise and statement we have made, the relevant authorities had no dissent about our social security and housing provident fund payment bases; we had not received any notice requiring us to make up the relevant shortfalls and were not aware of any plan by the relevant authorities to initiate such collection, (iii) under the relevant prevailing regulatory policies, including the Notice of the State Taxation Administration on Implementing Further Measures to Support and Serve the Development of the Private Economy (稅總發[2018]174號), the tax authorities are not to carry out centralized clean-up of historical unpaid amounts on their own initiative, (iv) based on the anonymous consultations conducted by our PRC Legal Advisers with the relevant local authorities, absent employee complaints, the authorities would not normally proactively investigate and require supplementary payment, and (v) we have undertaken that, if any relevant authority requires us to make up the shortfalls and/or pay the applicable late payment surcharges, we will do so promptly and in full. Based on the foregoing, our Directors are of the view that the above non-compliance did not have, and is not expected to have, a material adverse effect on our business operations or financial condition.

As of the Latest Practicable Date, we had not received any administrative penalties, rectification orders, enforcement actions or government notices requiring us to make up the relevant shortfalls, and we had not been involved in any disputes or complaints with employees in relation to the above matters. We had not made any provision in our consolidated financial statements in respect of the foregoing shortfalls and the related potential exposure. According to our Directors, no provision was made as the risk of us being required to make up the relevant shortfalls and being subject to the related late payment surcharges or administrative penalties was considered remote based on the advice of our PRC Legal Advisers, and accordingly no provision was considered necessary under the applicable accounting standards.

We have taken and will continue to take rectification measures in relation to the above matter, including reviewing historical contribution records and payment bases, making supplemental contributions where required, and ensuring that newly hired employees are enrolled in social insurance and housing provident fund schemes on a timely basis in accordance with applicable laws and regulations. We have also enhanced our internal control measures by designating specific personnel within our human resources and finance functions to conduct regular reconciliation of employee roster, payroll records, contribution bases and actual contribution payments, implementing internal review procedures for exceptional contribution arrangements, and maintaining periodic compliance review and communication with the relevant authorities and advisers.

On July 31, 2025, the Supreme People’s Court promulgated the Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), which became effective on September 1, 2025. According to our understanding, the Interpretation (II) clarifies, among others, that any agreement or undertaking between an employer and an employee that social insurance contributions need not be made is invalid, and where an employer fails to make social insurance contributions in accordance with the law, an employee may in certain circumstances terminate the employment relationship and claim economic compensation in accordance with applicable law. According to our PRC Legal Advisers, the Interpretation (II) does not create any new category of administrative penalty or expand the statutory consequences otherwise applicable under the existing social insurance laws and regulations of the PRC. In light of, among other things, (i) the absence of any administrative penalties, rectification orders or enforcement actions against us in respect of the above matter as of the Latest Practicable Date, (ii) the absence of any known employee complaints or disputes in relation to the above matter, and (iii) our undertaking to make up any shortfall and pay any applicable late payment surcharge promptly if so required by the competent authorities, the Interpretation (II) is not expected to have a material adverse effect on our business operations or financial condition.

BUSINESS

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognitions in respect of our products, solutions and operations. The following table sets forth the details of some of the notable awards and recognitions which we have received:

Award/Recognition	Issuing Entity	Year of Receipt
National High-Tech Enterprise (國家高新技術企業)	Department of Economy and Information Technology Zhejiang Province, Department of Finance of Zhejiang Province, State Taxation Administration of Zhejiang Province	2018 to 2026
Excellent Supplier Award (優秀供應商)	Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司)	2026 & 2025
Smart Automotive Supply Chain Global Leadership Award (智能汽車供應鏈出海領航獎)	Gao Gong Intelligent Vehicle Research Institute (高工智能汽車研究院)	2025
Best Quality Performance Award (質量表現優勝獎)	International Automotive Quality Standard Association	2025
Top 100 Core Components Suppliers for China’s Intelligent EVs (中國智能電動汽車核心零部件100强)	Dian Che Ren (電車人)	2025
Excellent Supplier Award (優秀供應商)	Jiangxi Jiangling Group Electric Vehicle Co., Ltd. (江西江鈴集團新能源汽車有限公司)	2025
Top 100 Core Components Suppliers for China’s Intelligent EVs (中國智能電動汽車核心零部件100强)	Dian Che Ren (電車人)	2024
Best Support Award (最佳支持獎)	Chery New Energy 2023 Ecological Partner Conference (奇瑞新能源2023生態夥伴大會)	2023
Ministry of Industry and Information Technology’s Fifth Batch of “Specialized, Refined, Distinctive, and Innovative Little Giant” (工信部2023第五批「專精特新小巨人」企業)	Ministry of Industry and Information Technology of the PRC	2023
Zhejiang Provincial R&D Center (浙江省省級研發中心)	Department of Economy and Information Technology of Zhejiang Province	2023