
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” of this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

Who We Are

We are an automotive optical technology company. We specialize in providing vehicle camera products comprising sensing and cabin products. We are also expanding our product portfolio into other vehicle optical products including LiDAR, in-cabin projection display and automotive lighting products. Leveraging our integrated R&D platform, global supply chain integration capabilities and an open partnership ecosystem, we facilitate intelligent perception and interaction to enhance the safety and comfort of driving experience.

With more than 20 years of industry experience, we have led many innovations in our field, as demonstrated by the following competitive strengths:

- *First mover in automotive optical products:* we were one of the first movers with dedicated focus on automotive-grade applications and ADAS camera products and have been enabling innovations in optical technologies.
- *Strategic focus and value expansion:* we were one of the few companies in the industry with the capability for independent R&D and large-scale commercialization of a suite of automotive optical products, including vehicle camera products and other vehicle optical products. Drawing on our experience in automotive optical products, we continue to develop and broaden our product offerings by leveraging our integrated R&D platform and have developed capabilities across a broad spectrum of the product lines, from optical products to product modules and system-wide products.
- *Automotive-grade qualification and expertise:* automotive-grade qualification represents one of the most stringent qualification standards, typically with validation cycles spanning three to five years. Our quality management system is designed to comply with rigorous industry standards across the major regions. In turn, this rigorous qualification process reinforces our industry position and supports our sustained growth.
- *Global partnership ecosystem:* adhering to a customer-centric philosophy, we continuously refine our products and technologies based on customer needs to deliver safe, reliable and advanced products. Supported by our global expanding initiatives, we have built brand recognition and relationship across industry worldwide. As of June 30, 2026, we covered 8 out of the top 10 global Tier-1 suppliers and 19 out of the top 20 global OEMs. Our integration into the global automotive value chain allows us to remain well-positioned to respond to industry developments, thereby continuously driving customer success and strengthening long-term partnerships.

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- *The No. 1 global market leader:* our market position is demonstrated across multiple categories. According to F&S, our vehicle camera products ranked first globally based on shipment volume in 2025, with a market share approximately equal to the combined market share of the next two players; in the fields of sensing and cabin, we were the world’s largest sensing and cabin products provider by shipment volume in 2025; our vehicle lens sets have held the top global market share by shipment volume for 14 consecutive years.

Our Products

To seize the opportunities of the AI-driven intelligent automotive era, we focus on intelligent perception and interaction capabilities and have developed two major product lines: vehicle camera products, which can be further categorized into sensing and cabin products, and other vehicle optical products. This enables us to offer customers an integrated portfolio of automotive optical products.

Vehicle Camera Products

- *Sensing products:* our sensing products comprise the vehicle’s perception capabilities and provide the foundational technology for autonomous driving solutions. These products enable ADAS and ADS to perform multi-sensor fusion, object detection and path planning. Our portfolio covers front, side and rear sensing products that enable intelligent driving systems to recognize vehicles, pedestrians, traffic signs and obstacles. Integrated with intelligent software algorithms, our sensing products enhance the perception accuracy, detection precision and response time of intelligent driving systems. Furthermore, we have independently developed features such as glare resistance, active heating and active cleaning to address environmental perception challenges in complex driving conditions, providing enhanced safety for intelligent driving applications.
- *Cabin products:* our cabin products focus on the driver and occupant experience, deliver an enhanced human-machine interaction, by improving user’s experience and enabling real-time detecting of vehicle operating conditions. Our cabin products cover both view and in-cabin products. View products include rear and surround view products, vehicle DVR products and streaming rear view mirror products. In-cabin products include driver monitoring products, occupancy monitoring products and others, such as TOF products. By incorporating modular technologies and application functions, these products provide drivers and occupants with enhanced internal and external views and interaction capabilities, creating a safer and more comfortable cabin experience.

Other Vehicle Optical Products

Leveraging our integrated R&D platform and our partnership ecosystem, we have developed other vehicle optical products including LiDAR, in-cabin projection display and automotive lighting products.

- *LiDAR products:* we currently offer LiDAR products for both long-range and mid-to-short-range LiDAR applications, with differentiated core product portfolios tailored to each module. We achieved the R&D and mass production of the first long-range LiDAR opto-mechanical transceiver in 2022, using a 1,550nm light source, enabling a longer detection range and better eye safety.
- *In-Cabin projection display products:* our in-cabin projection display products comprise PGU, freeform mirror and diffuser, which are primarily used for HUD, rear-seat large-screen projection and side-window projection applications.

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- *Automotive lighting products:* our smart automotive lighting mainly comprises pixelated headlamp projection products. Our automotive lighting products employ high-precision optical design with dynamic light pattern adjustment and road projection functions. We currently supply pixelated headlamp projection lenses for the highest shipment volume vehicle model globally equipped with smart automotive lighting.

Our Technology Platforms

We have established an R&D system covering all of our product lines. Through continuous innovation and vertical integration, we have developed the following three major technology platforms that together form our integrated technological capabilities:

- *Optical core technology innovation platform:* we drive continuous innovations in material science, optical design and precision processing, achieving critical breakthroughs in optical technologies. This supports our market position in product reliability, application versatility and production consistency, advancing automotive optical performance standards.
- *Opto-mechanical-electro-algorithmic integration platform:* leveraging our integrated opto-mechanical-electro-algorithmic capabilities, we continuously expand innovative optical system applications and have established system-level optical products. We integrate view and in-cabin products, combining DMS and OMS through automotive domain controller to achieve deep optical and algorithmic integration within cabin environments.
- *Digitalized manufacturing technology platform:* we have developed and implemented a range of proprietary manufacturing technologies that support automotive-grade quality standards, manufacturing precision and operational efficiency. These technologies form the backbone of our integrated manufacturing system, which integrates precision processing assembly, optical calibration and advanced packaging technologies.

STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

- Proven Innovative Capabilities
- Integrated Automotive Optical Technology Platform
- Diverse Product Portfolio with Cross-Business Synergies
- Established Collaborative Relationships with Global Customers
- Strategic Global Manufacturing and Service Capabilities
- Experienced and Committed Team with Common Core Values

STRATEGY

We intend to pursue the following strategies.

- All in Intelligent Technologies and Innovation
- Strengthening Our Partnership Ecosystem

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- Expanding Our Product Portfolio
- Enhancing Our Global Presence
- Committing to Sustainable Development

RESEARCH AND DEVELOPMENT

We believe technological R&D capabilities as the primary driving force for sustained growth. We believe our R&D capabilities are crucial for developing new products. Our consistent investment in R&D enables us to respond swiftly to the evolving demands of the automotive sector and to maintain our competitive edge. Through continuous research and development and vertical integration, we have established three core technology platforms, the optical core technology innovation platform, the opto-mechanical-electro-algorithmic integration platform and the digitalized manufacturing technology platform, which together constitute our integrated technology platform capabilities. As of the Latest Practicable Date, we possessed a large patent portfolio, with 899 registered patents in total, including 601 invention patents. See “Business — Research and Development.”

CUSTOMERS AND SUPPLIERS

The Group prices and sells each standalone vehicle optical product individually, with no bundling of products or services. Pricing is determined by reference to factors including market demand, product competitiveness, market dynamics and product costs, with differentiated pricing strategies applied where appropriate to account for industry characteristics, regional competition and customer budget considerations.

We have a global customer base. Our customers primarily consist of Tier-1 suppliers and OEMs. For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, sales to our largest customer in each period of the Track Record Period accounted for 14.7%, 13.5%, 8.8% and 8.2% of our revenue, respectively, while our five largest customers in each of the same periods accounted for 56.5%, 47.7%, 36.4% and 35.1% of our revenue, respectively. We put emphasis on maintaining close relationships with our customers and keeping abreast of market developments. See “Business — Sales, Marketing and Customers.”

Our suppliers provide us with raw materials and components that our procurement department organizes into three categories: optical materials and components (such as resin and lenses), electronic components (such as image sensors and PCBAs) and structural components (such as housing and mounting brackets). Our strategy prioritizes securing the supply of strategic materials and exploring cross-functional opportunities for cost reduction, supported by teams of in-house specialists. For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, purchases from our largest supplier in each period of the Track Record Period accounted for 17.3%, 14.2%, 13.0% and 15.9% of our total purchase, respectively, while our five largest suppliers in each of the same periods accounted for 56.4%, 49.0%, 50.0% and 49.8% of our total purchase, respectively. We believe that we have a good cooperative relationship with our key suppliers. See “Business — Procurement and Suppliers.”

TRADE POLICIES AND TARIFF

We manufacture our products in China and Vietnam, both of which export products to the U.S. market. Although we derived a substantial proportion of revenue from North America during the Track Record Period, the additional U.S. tariffs imposed on us did not have a material adverse effect on our business operations or financial condition during the Track Record Period and up to the Latest Practicable Date. This was due in part to the negotiations with customers that allowed us to distribute additional costs to them. Additionally, the applicable tariffs imposed by other countries/regions have not had, and are not expected to have, any material adverse impact (whether directly or indirectly) on our business operations, financial performance and expansion plans.

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MANUFACTURING BASE

As of the Latest Practicable Date, we operated two manufacturing bases in Yuyao, Zhejiang province, primarily focused on production of vehicle camera products and other vehicle optical products. In addition, we have expanded our global presence by strategically establishing manufacturing bases in Vietnam, which are located in Phu Tho and Nghe An provinces, respectively, dedicated to production of vehicle camera products, mainly serving our overseas customers. This manufacturing system enhances our production capacity and our ability to offer tailored services to customers while ensuring supply chain resilience and localized delivery capabilities. See “Business — Manufacturing — Manufacturing Bases.”

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the listing committee of the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our H Shares to be converted from Unlisted Shares and H Shares to be [REDACTED] pursuant to the [REDACTED] on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB7.2 billion (equivalent to approximately HK\$8.0 billion) for the year ended December 31, 2025 exceeds HK\$500 million, and (ii) our expected market capitalization at the time of [REDACTED], which, based on the low-end of the indicative [REDACTED] range, exceeds HK\$[REDACTED] billion.

[REDACTED]

The [REDACTED] constitutes a [REDACTED] of our Company by Sunny Optical Technology under Practice Note 15. The proposal in relation to the [REDACTED] was submitted by Sunny Optical Technology to the Stock Exchange for approval pursuant to Practice Note 15, and the Stock Exchange has confirmed that Sunny Optical Technology may proceed with the [REDACTED]. The [REDACTED] will not be subject to shareholder’s approval of Sunny Optical Technology, and Sunny Optical Technology and our Company will comply with the requirements under the Listing Rules and the respective articles of associations regarding the [REDACTED] and [REDACTED]. Upon completion of the [REDACTED] and the [REDACTED], (i) the Retained Sunny Optical Technology Group will be principally engaged in the design, R&D, manufacturing and sale of non-vehicle related optical business, with the application fields of its key offering focusing on immersive electronic devices which adopt extended reality technologies and merge real and virtual environments (“**XR products**”) including smart augmented reality glasses, smartphone camera products and other non-vehicle related optical products (including pan internet of things (“**pan-IoT**”) solutions including intelligent imaging terminals and automated warehousing systems, robotics, optical components and optical instruments); and (ii) our Group will principally engage in vehicle-related optical businesses, offering a wide spectrum of advanced optical products with a focus on vehicles as the field of application.

IMPACT OF PILLAR TWO RULES

Our Group is subject to the global minimum top-up tax Pillar Two Rules during the Track Record Period. The Pillar Two Rules set out a global tax framework developed by the OECD to ensure large multinational enterprises pay a minimum tax rate of 15% on income arising in each jurisdiction where they operate. We recognized RMB16.8 million, RMB48.1 million, RMB6.9 million and RMB6.2 million in respect of the Pillar Two Rules for the years ended December 31, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, which became effective: (i) in Vietnam, where SAV and SAOV are incorporated, for the years ended December 31, 2024 and 2025 and (ii) in Hong Kong, where certain subsidiaries of Sunny Optical Technology are incorporated, for the year ended December 31, 2025 and the six months ended June 30, 2026. See “Financial Information — Description of Key Components of Our Results of Operations — Income Tax Expense” and note 11 to the Accountants’ Report in Appendix I to this Document.

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CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our Company was directly held by Sunny Zhejiang Optics and Sunny Group as to 84.8% and 11.7%, respectively. Sunny Group is a direct wholly-owned subsidiary of Sunny Zhejiang Optics. Sunny Zhejiang Optics was directly held by Sunny Optical Overseas and Summit Technology (HK) as to 72.13% and 27.87%, respectively. Sunny Optical Overseas was wholly owned by Sun Xiang Optical, which was in turn wholly controlled by Sunny Optical Technology through its wholly owned subsidiary Sun Yun Optical. Summit Technology (HK) was 100% owned by Summit Technology (BVI), which was also in turn wholly controlled by Sunny Optical Technology through its wholly owned subsidiary Sun Yun Optical. Accordingly, the Controlling Shareholders, comprising Sunny Optical Technology, Sunny Group, Sunny Zhejiang Optics, Sunny Optical Overseas, Sun Xiang Optical, Sun Yu Optical, Summit Technology (HK) and Summit Technology (BVI), were collectively interested in approximately 96.5% of the Shares. Immediately following the completion the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will continue to control a total of approximately [REDACTED] of the Shares. Therefore, upon [REDACTED], they will remain as our Controlling Shareholders and our Company will remain as a subsidiary of Sunny Optical Technology. For further details about our Controlling Shareholders, see “Relationship with our Controlling Shareholders.”

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions under Chapter 14A of the Listing Rules after the [REDACTED]. Further particulars about such transactions, together with the application for waivers from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules for non-exempt continuing connected transactions are set out in “Connected Transactions”.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our business and industry, (ii) risks relating to doing business in the jurisdictions we operate, and (iii) risks relating to the [REDACTED] and the [REDACTED], which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to:

- Unfavorable economic conditions and consumer acceptance impacting the automotive industry could limit market adoption of automotive optical products, which may materially and adversely affect our business operations, results of operations and financial condition.
- We operate in a highly competitive industry with an evolving landscape.
- We may fail to further refine our technology and develop and introduce new products due to rapid technological changes and advancements.
- The expansion of our international operations may expose us to additional regulatory, economic and political risks, the failure to handle which may adversely affect our business, results of operations and financial condition.
- Our business, financial condition and results of operations could be materially and adversely affected if we lose any of our major customers or are prevented from selling to any of our top customers.

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- The vehicle optical products are highly complex, which could expose us to product liability claims or recalls resulting from product quality issues, and materially and adversely affect our business, reputation, results of operations and financial condition.
- We may be subject to the risks associated with international trade policies and trade protection measures.

SUMMARY OF KEY FINANCIAL INFORMATION

Combined Statement of Profit or Loss

The following table summarizes our results of operations for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(Unaudited)	
Revenue	5,262,204	5,989,257	7,188,840	3,352,018	3,701,605
Cost of sales	(3,385,601)	(3,863,910)	(4,862,921)	(2,194,165)	(2,578,162)
Gross profit	1,876,603	2,125,347	2,325,919	1,157,853	1,123,443
Other income	57,012	59,396	59,964	19,132	36,325
Other gains and losses	48,926	46,385	(35,330)	(15,037)	(10,467)
[REDACTED]	–	–	(9,554)	–	(7,806)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	3,861	1,237	(960)	184	(1,286)
Selling and distribution expenses	(64,735)	(66,271)	(85,309)	(39,778)	(39,986)
Research and development expenditure	(485,056)	(545,917)	(559,716)	(279,647)	(258,525)
Administrative expenses . .	(158,950)	(182,030)	(188,181)	(94,757)	(83,271)
Finance costs	(7,172)	(10,898)	(14,304)	(6,144)	(9,111)
Profit before tax	1,270,489	1,427,249	1,492,529	741,806	749,316
Income tax expense	(130,055)	(155,521)	(203,143)	(84,563)	(83,863)
Profit for the year/period	1,140,434	1,271,728	1,289,386	657,243	665,453
Attributable to:					
– Owners of the Company	1,128,215	1,258,239	1,266,621	650,387	665,453
– Non-controlling interests	12,219	13,489	22,765	6,856	–
	1,140,434	1,271,728	1,289,386	657,243	665,453

Revenue

Revenue by Product Category

During the Track Record Period, our revenue was derived from the sales of (i) vehicle camera products, including sensing products and cabin products and (ii) other vehicle optical products, primarily including LiDAR, in-cabin projection display and automotive lighting products.

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The following table sets forth a breakdown of our revenue by product category for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
	(Unaudited)									
Vehicle camera products										
– Sensing products	3,460,285	65.7	3,878,413	64.8	4,706,964	65.5	2,163,766	64.5	2,376,474	64.2
– Cabin products	1,523,726	29.0	1,801,080	30.0	2,156,091	30.0	1,045,267	31.2	1,064,751	28.8
Subtotal	4,984,011	94.7	5,679,493	94.8	6,863,055	95.5	3,209,033	95.7	3,441,225	93.0
Other vehicle optical products⁽¹⁾	278,193	5.3	309,764	5.2	325,785	4.5	142,985	4.3	260,380	7.0
Total	5,262,204	100.0	5,989,257	100.0	7,188,840	100.0	3,352,018	100.0	3,701,605	100.0

Note:

- (1) Other vehicle optical products primarily included LiDAR, in-cabin projection display and automotive lighting products.

The following table sets forth a breakdown of sales volume and average selling prices by major product category for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume	Average selling prices ⁽¹⁾	Sales volume	Average selling prices ⁽¹⁾	Sales volume	Average selling prices ⁽¹⁾	Sales volume	Average selling prices ⁽¹⁾	Sales volume	Average selling prices ⁽¹⁾
	(Unit '000)	(RMB/Unit)	(Unit '000)	(RMB/Unit)	(Unit '000)	(RMB/Unit)	(Unit '000)	(RMB/Unit)	(Unit '000)	(RMB/Unit)
Vehicle camera products										
– Sensing products	48,357	72	51,168	76 ⁽²⁾	69,716	68 ⁽²⁾	34,564	63 ⁽²⁾	38,349	62 ⁽²⁾
– Cabin products	44,130	35	51,969	35 ⁽²⁾	68,827	31 ⁽²⁾	33,399	31 ⁽²⁾	38,427	28 ⁽²⁾

Notes:

- (1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year, which represents the average price at which our products were sold to our customers.
- (2) The decrease in the average selling prices of our sensing products and cabin products from 2024 to 2025 and further from the six months ended June 30, 2025 to the same period of 2026 primarily because we adopted more competitive pricing in response to intensified market competition, which was in line with the market trend, according to F&S. According to F&S, the intensified market competition was primarily because: (i) intense competition in the downstream automotive market has led OEMs to exert pricing pressure on suppliers; (ii) growing demand has attracted new entrants and encouraged existing camera module manufacturers to expand into the automotive sector, increasing the number of qualified suppliers; and (iii) suppliers achieve greater economies of scale and manufacturing efficiencies, resulting in lower unit costs.

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Revenue by Geographic Location

During the Track Record Period, we primarily generated revenue from Chinese Mainland and Europe. The following table sets forth a breakdown of our revenue by geographic location for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
	(Unaudited)									
Chinese Mainland	2,360,233	44.9	3,102,592	51.8	4,258,640	59.2	1,867,591	55.7	2,116,903	57.2
Europe	1,448,241	27.5	1,328,277	22.2	1,266,530	17.6	643,706	19.2	706,449	19.1
North America	732,549	13.9	719,537	12.0	719,853	10.0	356,254	10.6	410,568	11.1
Asia (except Chinese Mainland)	645,302	12.3	697,063	11.6	795,725	11.1	403,508	12.1	400,153	10.8
Others ⁽¹⁾	75,879	1.4	141,788	2.4	148,092	2.1	80,959	2.4	67,532	1.8
Total	5,262,204	100.0	5,989,257	100.0	7,188,840	100.0	3,352,018	100.0	3,701,605	100.0

Note:

(1) Others mainly included Africa.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales and our gross profit margin represents gross profit divided by our revenue, expressed as a percentage. The following table sets forth our gross profit and gross margins by product category for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	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 in thousands, except for percentage)									
	(Unaudited)									
Vehicle camera products										
– Sensing products	1,304,403	37.7	1,410,626	36.4	1,578,622	33.5	797,903	36.9	746,370	31.4
– Cabin products	473,794	31.1	602,721	33.5	685,918	31.8	331,425	31.7	336,917	31.6
Subtotal	1,778,197	35.7	2,013,347	35.4	2,264,540	33.0	1,129,328	35.2	1,083,288	31.5
Other vehicle optical products⁽¹⁾	98,406	35.4	112,000	36.2	61,379	18.8	28,525	19.9	40,155	15.4
Total	1,876,603	35.7	2,125,347	35.5	2,325,919	32.4	1,157,853	34.5	1,123,443	30.4

Note:

(1) Other vehicle optical products primarily included LiDAR, in-cabin projection display and automotive lighting products.

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Summary of Statement of Combined Financial Position

The following table sets forth a summary of our combined statement of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Total non-current assets	1,032,290	1,378,173	1,484,570	1,604,159
Total current assets	4,616,682	5,945,480	5,294,562	5,603,607
Total assets	5,648,972	7,323,653	6,779,132	7,207,766
Total current liabilities	1,833,338	2,555,914	3,710,022	3,482,173
Net current assets	2,783,344	3,389,566	1,584,540	2,121,434
Total assets less current liabilities	3,815,634	4,767,739	3,069,110	3,725,593
Total non-current liabilities	99,793	81,010	57,668	54,914
Net assets	3,715,841	4,686,729	3,011,442	3,670,679

Net Current Assets

Our net current assets increased by 33.9% from RMB1,584.5 million as of December 31, 2025 to RMB2,121.4 million as of June 30, 2026, primarily due to an increase in financial assets at FVTPL.

Our net current assets decreased significantly from RMB3,389.6 million as of December 31, 2024 to RMB1,584.5 million as of December 31, 2025, primarily due to the settlement of amounts due from related parties, which were subsequently used for dividend payments.

Our net current assets increased by 21.8% from RMB2,783.3 million as of December 31, 2023 to RMB3,389.6 million as of December 31, 2024, primarily due to (i) an increase in amounts due from related parties and (ii) an increase in trade and other receivables and prepayments in line with our business expansion, partially offset by (i) an increase in amounts due to related parties in relation to our plant construction in Vietnam and (ii) an increase in trade and other payables in line with our business expansion.

Net Assets

Our net assets increased by 21.9% from RMB3,011.4 million as of December 31, 2025 to RMB3,670.7 million as of June 30, 2026, primarily due to profit for the period of RMB665.5 million.

Our net assets decreased by 35.7% from RMB4,686.7 million as of December 31, 2024 to RMB3,011.4 million as of December 31, 2025, primarily due to (i) dividends paid of RMB2,703.7 million and (ii) effect of reorganization, partially offset by (i) issue of ordinary shares of RMB2,000.0 million and (ii) profit for the year of RMB1,289.4 million.

Our net assets increased by 26.1% from RMB3,715.8 million as of December 31, 2023 to RMB4,686.7 million as of December 31, 2024, primarily due to (i) profit for the year of RMB1,271.7 million, partially offset by dividends paid of RMB285.5 million.

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Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(Unaudited)	
Net cash flows generated					
from operating activities . .	1,272,288	1,323,828	1,418,765	371,570	868,958
Net cash flows (used					
in)/generated from					
investing activities	(917,523)	(1,357,210)	1,759,603	41,592	(935,265)
Net cash flows used in					
financing activities	(217,529)	(10,928)	(2,471,793)	(84,624)	(81,344)
Net increase/(decrease) in					
cash and cash equivalents .	137,236	(44,310)	706,575	328,538	(147,651)
Cash and cash equivalents at					
beginning of the period . .	175,298	315,227	271,010	271,010	971,482
Effect of foreign exchange					
rate changes	2,693	93	(6,103)	(2,631)	(15,869)
Cash and cash equivalents at					
end of the period	315,227	271,010	971,482	596,917	807,962

KEY FINANCIAL RATIOS

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

	Year ended/as of December 31,			Six months ended/as of June 30,
	2023	2024	2025	2026
Gross profit margin (%) ⁽¹⁾	35.7	35.5	32.4	30.4
Current ratio ⁽²⁾	2.5	2.3	1.4	1.6
Quick ratio ⁽³⁾	2.2	2.0	1.2	1.3
Gearing ratio (%) ⁽⁴⁾	34.2	36.0	55.6	49.1
Return on assets (%) ⁽⁵⁾	22.6	19.6	18.3	N/A
Return on equity (%) ⁽⁶⁾	36.0	30.3	33.5	N/A

Notes:

- (1) Gross profit margin is calculated as revenue less cost of sales divided by revenue, then multiplied by 100%.
- (2) Current ratio is calculated as total current assets divided by total current liabilities as of the date indicated.
- (3) Quick ratio is calculated by subtracting inventories from current assets and then dividing the result by current liabilities as of the dates indicated.
- (4) Gearing ratio is calculated as total liabilities divided by total assets, then multiplied by 100%.
- (5) Return on assets is calculated as profit for the period divided by average total asset, then multiplied by 100%.
- (6) Return on equity is calculated as profit for the period divided by average total equity, then multiplied by 100%.

SUMMARY

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that: (i) the [REDACTED] is completed and [REDACTED] H Shares are [REDACTED] and sold in the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] Shares are [REDACTED] and outstanding upon completion of the [REDACTED].

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalization of our Shares ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted net tangible asset value per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation is based on [REDACTED] Shares expected to be in issue immediately upon the completion of the [REDACTED].
- (2) The unaudited [REDACTED] adjusted net tangible asset value per Share is calculated after making the adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information”.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED], after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for R&D of vehicle camera products and other vehicle optical products, as well as building a comprehensive testing system to enhance our technological capabilities and product offerings.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for enhancing our manufacturing capacities and optimizing our supply chain management.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for optimizing our sales and services networks by strengthening partner-facing sales team deployment and enhancing technical support teams.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for supplementing working capital and general corporate purposes.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] million (HK\$[REDACTED] million), comprising: (i) [REDACTED] fees of RMB[REDACTED] million (HK\$[REDACTED] million); and (ii) [REDACTED]-related expenses of RMB[REDACTED] million (HK\$[REDACTED] million),

SUMMARY

which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB[REDACTED] million (HK\$[REDACTED] million); and (b) other fees and expenses of RMB[REDACTED] million (HK\$[REDACTED] million), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which was charged or is expected to be charged to our combined statements of profit or loss, and approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which is expected to be deducted from equity upon the completion of the [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 and there has been no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Document.

DIVIDEND

During the Track Record Period, our Company did not declare or pay any dividend. Currently, we do not have any formal dividend policy. Any dividend distribution plans will be formulated by the Board and approved by the shareholders’ meetings, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Pursuant to our Articles of Association, in principle, after we have made good any losses and appropriated funds to statutory reserves, the remaining after-tax profits shall be distributed among shareholders in proportion to their respective shareholdings, except where our Articles of Association provides otherwise for non-proportional distribution. Once the shareholders’ meeting has adopted a resolution on the profit distribution plan, or the Board has formulated a specific plan based on the conditions and upper limit for interim dividends approved by the annual shareholders’ meeting, we shall complete the distribution of dividends within two months. We currently do not have any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.