THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Class A shares in **TechStar Acquisition Corporation** ("**TechStar**"), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is for information purposes only and is being provided to you solely for the purposes of considering the resolutions to be voted upon at the EGM of TechStar to be held on Monday, December 1, 2025 at 9:00 a.m.. This circular also constitutes the listing document of Seyond Holdings Ltd., which is the Successor Company on completion of the De-SPAC Transaction. This circular does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of TechStar or the Successor Company.

TechStar Acquisition Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7855)

(Warrant Code: 4855)

(1) DE-SPAC TRANSACTION COMPRISING (A) THE BUSINESS COMBINATION AGREEMENT (B) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION BY SEYOND HOLDINGS LTD. (圖達通*) (THE "SUCCESSOR COMPANY") (C) THE PIPE INVESTMENTS (2) MERGER PROPOSAL (3) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION BY TECHSTAR (4) WITHDRAWAL OF LISTING OF TECHSTAR CLASS A SHARES AND TECHSTAR LISTED WARRANTS AND (5) NOTICE OF EXTRAORDINARY GENERAL MEETING

The Successor Company

Joint Sponsors to the deemed new listing application of the Successor Company, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

ZERO2IPO 清科資本 Zero2IPO Capital　CITIC SECURITIES　中信建投國際 CHINA SECURITIES INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

信銀投資 CNCB INVESTMENT　DBS

Joint Bookrunners and Joint Lead Managers

Daiwa Capital Markets　中州國際 CENTRAL CHINA INTERNATIONAL　富途證券 FUTU Securities International　老虎證券

TradeGo Markets　中銀國際 BOCI　ABCI 農銀國際

A letter from the TechStar Board is set out on pages 98 to 157 of this circular. An important notice and the actions to be taken by the TechStar Shareholders are set out on pages 158 to 171 of this circular.

The notice convening the EGM to be held at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, December 1, 2025 at 9:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. The forms of proxy for use at the EGM are also enclosed with this circular and published on the websites of the Stock Exchange at **www.hkexnews.hk** and TechStar at **www.TechStaracq.com**. Whether or not you intend to attend the EGM, if you are a registered TechStar Shareholder, you are requested to complete and sign the enclosed forms of proxy in accordance with the instructions printed thereon and return it to TechStar's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 9:00 a.m. on Saturday, November 29, 2025) or any adjournment thereof (as the case may be). Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

If you are a beneficial owner whose TechStar Class A Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such TechStar Class A Shares with, other HKSCC participant regarding voting instructions to be given to such persons.

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders at the EGM or completed for any reason, (i) TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and (ii) subject to the deadlines under the Listing Rules, the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained; **however**, TechStar will not have sufficient time to identify another de-SPAC target and negotiate a de-SPAC transaction before it is required to be delisted by the Stock Exchange as provided for in the Listing Rules. **Therefore, TechStar Class A Shareholders are strongly recommended to vote FOR the resolutions to be proposed at the EGM, EVEN IF you intend to elect to redeem some or all of your TechStar Class A Shares.**

* *For identification purpose only*

Wednesday, November 12, 2025

The following expected timetable is indicative only and is subject to change. If necessary, further announcement in relation to any revised timetable will be published as and when appropriate.

Event	**Expected time and date[1]**
Dispatch of this circular	Wednesday, November 12, 2025
Election periods for TechStar Shareholders to redeem all or part of their TechStar Class A Shares commence	Wednesday, November 12, 2025
Latest time for lodging transfers of TechStar Shares for determining the entitlement to attend and vote at the EGM	4:30 p.m. on Wednesday, November 26, 2025
Closure of register of members of TechStar for determining the entitlement to attend and vote at the EGM	from Thursday, November 27, 2025 to Monday, December 1, 2025 (both days inclusive)
Determination of the Redemption Price and announcement of the Redemption Price to be published on the Stock Exchange's website (**www.hkexnews.hk**), TechStar's website (**www.techstaracq.com**) and the Successor Company's website (**www.seyond.com**)	Thursday, November 27, 2025
Latest time for lodging forms of proxy for the EGM	9:00 a.m. on Saturday, November 29, 2025
Record date for determining the entitlement to attend and vote at the EGM	Monday, December 1, 2025
Election period for TechStar Shareholders to redeem all or part of their TechStar Class A Shares[2] ends	9:00 a.m. on Monday, December 1, 2025
EGM	9:00 a.m. on Monday, December 1, 2025

Announcement of (i) the results of the EGM and (ii) amount of redemption of the Redeeming TechStar Shares on the Stock Exchange's website (**www.hkexnews.hk**), TechStar's website (**www.techstaracq.com**) and the Successor Company's website (**www.seyond.com**)	Monday, December 1, 2025

If approvals sought at the EGM are obtained and all conditions to the Closing are fulfilled or waived (where applicable):

Announcement of the date of the Closing and withdrawal of the listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange published on the Stock Exchange's website (**www.hkexnews.hk**), TechStar's website (**www.techstaracq.com**) and the Successor Company's website (**www.seyond.com**)	Monday, December 1, 2025
Last day of dealings in TechStar Class A Shares and TechStar Listed Warrants[3][7]	Tuesday, December 2, 2025
Expected latest time for trading of TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange[4]	4:10 p.m. on Tuesday, December 2, 2025
Latest time for lodging transfers of TechStar Class A Shares and TechStar Listed Warrants[5][7][8]	4:30 p.m. on Thursday, December 4, 2025
Closure of register of members of TechStar for determining the entitlements of TechStar Class A Shareholders to the right to receive Successor Company Shares (including the Bonus Shares)[7][8]	from Friday, December 5, 2025 onwards
Closure of register of warrantholders of TechStar for determining the entitlements of TechStar Warrantholders to the right to receive Successor Company Listed Warrants[6][7]	from Friday, December 5, 2025 onwards

Record date for determining the entitlements of TechStar Class A Shareholders to the right to receive Successor Company Shares (including the Bonus Shares)[7][8]	Friday, December 5, 2025
Dispatch of certificates for the Successor Company Shares and Successor Company Listed Warrants on or before[7][9]	Tuesday, December 9, 2025
Effective Time of the Merger[10]	9:00 a.m. on Wednesday, December 10, 2025
Issue of the Successor Company Shares and Successor Company Warrants on or before and Closing occurs	9:00 a.m. on Wednesday, December 10, 2025
Withdrawal of the listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange	9:00 a.m. on Wednesday, December 10, 2025
Listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange	9:00 a.m. on Wednesday, December 10, 2025
Payment of the Redemption Price by the Trustee to the Redeeming TechStar Shareholders on or before[11]	Wednesday, December 17, 2025

Notes:

(1) References to time and dates in this circular are to Hong Kong time and dates.

(2) A Share Redemption election will not be accepted unless the duly completed and executed Share Redemption Election Form is accompanied by the delivery of the share certificate(s) representing the relevant number of TechStar Class A Shares to the TechStar's Hong Kong Share Registrar by the end of the Share Redemption Election Period. If the De-SPAC Transaction is not approved or completed for any reason, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. In this case, TechStar will (i) make an announcement on the Stock Exchange of the expected date of return of the share certificates delivered by Redeeming TechStar Shareholder(s) and (ii) arrange for the TechStar's Hong Kong Share Registrar to promptly return any share certificate(s) delivered by Redeeming TechStar Shareholder(s). See "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right – 3. Procedure to elect for Share Redemption" for details on the procedure to elect for Share Redemption.

(3) Last day for (i) TechStar Class A Shareholders who are Beneficial Owners holding TechStar Class A Shares through CCASS who wish to sell their TechStar Class A Shares on market to do so and (ii) investors who wish to purchase TechStar Class A Shares on market through CCASS to hold TechStar Class A Shares immediately prior to the Effective Time (and be entitled to receive at the Effective Time 1.10 newly issued Successor Company Share for every TechStar Class A Share held) to do so.

(4) Last day for (i) TechStar Listed Warrantholders who are Beneficial Owners holding TechStar Listed Warrants through CCASS who wish to sell their TechStar Listed Warrants on market to do so and (ii) investors who wish to purchase TechStar Listed Warrants on market through CCASS to hold TechStar Listed Warrants immediately prior to the Effective Time to do so.

(5) Latest time to lodge transfer documents with the TechStar's Hong Kong Share Registrar for the transfer of TechStar Class A Shares held in the name of a Registered Shareholder for the transferee to become a Registered Shareholder of TechStar Class A Shares immediately prior to the Effective Time (who will be entitled to receive immediately following the Effective Time 1.10 newly issued Successor Company Share for every TechStar Class A Share held).

(6) Latest time to lodge transfer documents with the TechStar's Hong Kong Share Registrar for the transfer of TechStar Listed Warrants held in the name of a Registered Warrantholder for the transferee to become a Registered Warrantholder of TechStar Listed Warrants immediately prior to the Effective Time.

(7) See "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company" for details of the cancellation of TechStar Class A Shares in exchange for the right to receive Successor Company Shares and the cancellation of TechStar Listed Warrants in exchange for the right to receive Successor Company Listed Warrants.

(8) The last registration date, the book closure period and the record date for TechStar Class A Shares have been set for the purpose of the Bonus Share Issue of Successor Company Shares at 0.10 Successor Company Share for every 1 TechStar Class A Share held immediately prior to the Effective Time. Shareholders who hold TechStar Class A Shares as at the record date are entitled to receive the Bonus Shares immediately following the Effective Time (being the payment date of the Bonus Share Issue) in addition to 1 Successor Company Share for every 1 TechStar Class A Share held immediately prior to the Effective Time. Accordingly, immediately following the Effective Time, the Relevant TechStar Class A Shareholders will receive 1.10 newly issued Successor Company Share for every TechStar Class A Share held immediately prior to the Effective Time.

(9) The certificates for the Successor Company Shares and the Successor Company Listed Warrants are expected to be dispatched on or before Tuesday, December 9, 2025 but will only become valid immediately after the Effective Time of the Merger, which is expected to be 9:00 a.m. on Wednesday, December 10, 2025. Investors who trade the Successor Company Shares or the Successor Company Listed Warrants prior to the certificates for the Successor Company Shares and/or the Successor Company Listed Warrants becoming valid do so entirely at their own risk.

For the avoidance of doubt, all share certificates representing TechStar Class A Shares and warrant certificates representing TechStar Listed Warrants will cease to have effect as evidence of title as from the Effective Time. TechStar Shareholders and TechStar Warrantholders are not required to surrender or return their share certificates or warrant certificates for TechStar Class A Shares or TechStar Listed Warrants in order to receive share certificates for Successor Company Shares or warrant certificates for Successor Company Listed Warrants.

(10) The Effective Time will be on the same date as the Closing Date and the date of listing of the Successor Company Shares and the Successor Company Listed Warrants on the Stock Exchange. Closing will occur immediately upon the completion of the transactions contemplated to take place immediately after the Effective Time. See "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement" for further details.

(11) See "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right – 4. Payment of Redemption Price" for details on the payment of the Redemption Price.

Shareholders should note that the dates and times specified in the above timetable are subject to change. Further announcement(s) will be made in the event that there is any change to the above timetable.

Shareholders should refer to "Important Notice to TechStar Shareholders and Actions to be Taken", which sets out details of the actions to be taken and the procedures in relation to voting at the EGM and in relation to the exercise of the Share Redemption Right and the Appraisal Right.

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This summary aims to give you an overview of the information contained in this circular. As it is a summary, it does not contain all the information that may be important to you. You should read the whole circular before making a decision as to how you would cast your votes at the EGM in relation to the De-SPAC Transaction and the appropriate course of action for yourself.

There are risks associated with the De-SPAC Transaction and in any investment in the securities of the Successor Company. Some of the particular risks are set out in the section headed "Risk Factors". You should read that section carefully before making a decision on the De-SPAC Transaction. In connection with or following the De-SPAC Transaction (including the issuance of Successor Company Shares to the Promoters and the PIPE Investors and the potential exercise of Successor Company Warrants), the shareholding and value of shareholding of Successor Company Shareholders (including non-redeeming TechStar Shareholders) will be diluted. For details of the potential dilution effect, see details set forth in the section headed "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 7. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction".

In this section, "we", "us" or "our" refer to the Target Company and its subsidiaries.

OVERVIEW OF THE DE-SPAC TRANSACTION

On December 20, 2024, TechStar entered into (1) the Business Combination Agreement (as further supplemented on September 25, 2025 and November 6, 2025) with Seyond Holdings Ltd. (being the Target Company) and the Merger Sub (being a wholly-owned subsidiary of the Target Company) in relation to the Merger, (2) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, (3) the Promoters Lock-up Agreement with the Target Company and the Promoters, (4) the Target Company Shareholder Lock-up Agreement with the Target Company and the members of the single largest group of shareholders of the Target Company, and (5) an Amendment to the TechStar Listed Warrants.

The De-SPAC Transaction will result in the business combination of TechStar with the Target Group and the listing of the Target Company as the Successor Company on the Stock Exchange.

Parties to the De-SPAC Transaction

TechStar

TechStar is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more businesses, with efforts concentrated on companies in new economy sectors in China, including but not limited to innovative technology, advanced manufacturing, healthcare, life sciences, culture and entertainment, consumer and e-commerce, green energy and climate actions industries that align with the national economic trends and industrial policies. TechStar completed an offering comprising 100,100,000 TechStar Class A Shares at an offer price of HK$10.00 per TechStar Class A Share and 50,050,000 TechStar Listed Warrants on December 23, 2022.

The Target Group

The Target Group is one of the key players in the design, development, and production of automotive-grade LiDAR solutions. The Target Group offers LiDAR solutions for advanced driver assistance system, automated driving system, and other automotive and non-automotive application scenarios. The Target Group is the world's first provider of automotive-grade high-performance LiDAR solutions to achieve volume production, according to CIC. In 2024, the Target Group delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to the same source.

Merger Sub

Merger Sub is a newly incorporated Cayman Islands exempted company and a wholly-owned subsidiary of the Target Company. Merger Sub was incorporated solely for the purpose of effecting the Merger and has not carried on any activities other than those in connection with the Merger.

The Business Combination Agreement

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the Merger of TechStar and Merger Sub, following which the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company. Therefore, in effect, the structure of the De-SPAC Transaction and the Merger will result in the Target Company acquiring TechStar, which will become a wholly-owned subsidiary of the Successor Company.

Upon Closing, (i) TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company, together with the PIPE Investors, investors of the Permitted Equity Financing (if any), and the existing shareholders of the Target Company, (ii) TechStar Warrantholders will become warrantholders of the Successor Company, (iii)

TechStar's listing status will be withdrawn, and (iv) the Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Stock Exchange.

The negotiated value of the Target Company in the De-SPAC Transaction (the "**Negotiated Value**") is HK$11.7 billion. The Negotiated Value represents the fair value of the Target Company and was determined through arm's length negotiations with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to: (i) most recent round of pre-listing investment, (ii) business development and performance, and (iii) business prospects of the Target Group.

At the Effective Time, the Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue, such that immediately after the conversion of Target Company Preferred Shares and the Capitalization Issue, the issued and outstanding share capital of the Target Company will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the Negotiated Value by HK$10.00.

The consideration which the TechStar Shareholders will receive at the Effective Time pursuant to the De-SPAC Transaction is as follows:

(i) *TechStar Class B Conversion*. Immediately prior to the Merger Effective Time, each of TechStar Class B Shares that is issued and outstanding immediately prior to the Merger Effective Time and held by the Promoters shall automatically be converted into one TechStar Class A Share in accordance with the terms of the TechStar Articles (such automatic conversion, the "**TechStar Class B Conversion**") and each such TechStar Class B Share shall no longer be issued and outstanding and shall be cancelled and cease to exist.

(ii) *TechStar Ordinary Shares*. At the Merger Effective Time, (1) each TechStar Class A Share issued and outstanding immediately prior to the Merger Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares, and (2) each TechStar Class A Share issued or issuable upon the TechStar Class B Conversion, will automatically be cancelled and cease to exist in exchange for the right to receive one newly issued Successor Company Share. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

(iii) *Exchange of TechStar Listed Warrants*. Each TechStar Listed Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Listed Warrant. Each Successor Company Listed Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Merger Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Listed Warrant Instrument. All rights with respect to TechStar Shares underlying the TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(iv) *Exchange of TechStar Promoter Warrants*. Each TechStar Promoter Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Merger Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Promoter Warrant Agreement. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(v) *Redeeming TechStar Shares*. Each Redeeming TechStar Share issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist and will represent only the right of the holder thereof to be paid a pro rata share of the TechStar Shareholder Redemption Amount in accordance with the TechStar Articles.

(vi) *Dissenting TechStar Shares*. Each Dissenting TechStar Share issued and outstanding immediately prior to the Merger Effective Time held by a Dissenting TechStar Shareholder will automatically be cancelled and cease to exist and will represent only the right of such Dissenting TechStar Shareholder to be paid the fair value of such Dissenting TechStar Share and such other rights pursuant to Section 238 of the Cayman Companies Act.

The entitlement of the Relevant TechStar Class A Shareholders to receive the Bonus Shares, being the additional one-tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them is intended to disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction. The number of Bonus Shares to be issued was determined through commercial negotiations among the parties to the Business Combination Agreement with reference to the estimated Redemption Price.

Further details of the terms of the Business Combination Agreement are set out in "Letter from TechStar Board – F. The Business Combination Agreement".

PIPE Investments and Permitted Equity Financing

On December 20, 2024, TechStar and the Target Company have entered into the PIPE Investment Agreements with the PIPE Investors. These PIPE Investors are Huangshan Construction Investment Capital, Wealth Strategy and Zhuhai Hengqin Huagai.

Pursuant to the PIPE Investment Agreements, the PIPE Investors have conditionally agreed to subscribe for, and the Target Company (in its capacity as the Successor Company) has conditionally agreed to issue to the PIPE Investors, the PIPE Investment Shares at the price of HK$10.00 per PIPE Investment Share. The PIPE Investors will subscribe for the PIPE Investment Shares contemporaneously with the closing of the Merger, at such time and in such manner as shall be determined by TechStar and the Target Company. The gross proceeds from the PIPE Investments pursuant to the PIPE Investment Agreements will be approximately HK$551.3 million.

Further details of the terms of the PIPE Investments are set out in "Letter from TechStar Board – G. PIPE Investments".

From the date of the Business Combination Agreement until the Effective Time, TechStar and the Target Company may (1) enter into one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more Professional Investors, and/or (2) execute a placing agreement (the "**Placing Agreement**") with the Overall Coordinators and one or more of the other capital market intermediaries (together, the "**Placing Agents**") for placement on a best effort (and not on an underwritten basis) of the Successor Company Shares (the "**Placing**"), in each case at the price of HK$10.00 per share, for an aggregate subscription amount under (1) (if any) and (2) of up to HK$1,000,000,000 that would together constitute a Permitted Equity Financing.

In respect of the Placing, the Placing Agents will be soliciting from prospective Professional Investors indications of interest in subscribing for the Successor Company Shares in the Placing. Prospective Professional Investors will be required to specify the number of Successor Company Shares under the Placing they would be prepared to acquire at the price of HK$10.00 per share. This process, known as "book-building", is expected to commence at any time after the publication of this circular up to, and to end on or about the date of the EGM (which is currently expected to be December 1, 2025), after which the Placing Agreement is expected to be entered into.

It is expected that the Placing will include selective marketing of the Successor Company Shares to Professional Investors only in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional Investors may generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly

invest in shares and other securities. Allocation of the Successor Company Shares in the Placing will be effected in accordance with the "book-building" process described above based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Successor Company Shares and/or hold or sell its Successor Company Shares after the Listing. Such allocation is intended to result in a distribution of the Successor Company Shares on a basis which would lead to the establishment of a professional (including institutional) shareholder base to the benefit of the Successor Company and its shareholders as a whole.

The purpose of the Permitted Equity Financing (including the Placing) is to raise additional funds and to satisfy the requirement under Listing Rule 18B.65 for there to be a minimum number of 100 Professional Investors at the time of listing of the Successor Company.

The Permitted Equity Financing (including the Placing), if any, will be subject to approval by the TechStar Shareholders at the EGM, together with the De-SPAC Transaction as one resolution. There is no assurance that the Permitted Equity Financing (including the Placing) will take place as contemplated or at all and that, if any, the aggregate subscription amount of will reach HK$1,000,000,000. Details of any Permitted Equity Financing (including the Placing), if any, will be announced by TechStar as soon as reasonably practicable after the relevant documentation (in particular, in respect of the Placing, the Placing Agreement) is entered into.

Structure of the De-SPAC Transaction

See "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 6. Corporate Structure" in this circular for details of the corporate structure chart of the Target Group, TechStar and the Successor Group immediately prior to and after the De-SPAC Transaction.

Reasons for, and Benefits of, the De-SPAC Transaction

As stated in TechStar's offering circular dated December 19, 2022, TechStar has identified the following general criteria and guidelines that it believes are important in evaluating a target company for the purpose of effecting a business combination with TechStar: (i) alignment with economic trends and national industrial policies; (ii) favorable long-term growth prospects; (iii) large consumer or business market with differentiated products and services; (iv) distinct competitive advantages or under-tapped growth opportunities that team is uniquely positioned to identify; (v) strong and visionary management team that can create significant value for the De-SPAC Target; (vi) an ethical, professional and responsible management in pursuit of ESG values; (vii) high-quality with competitive edges in a new economy sector in China with a differentiated value proposition and product or service barriers; and (viii) benefit from being a public company.

Having evaluated a number of potential target companies, TechStar considers that the Target Company satisfies the above criteria and that it would be in the interests of TechStar to enter into the De-SPAC Transaction with the Target Company for the following reasons: (i) market and growth potentials for automotive-grade LiDAR solutions; (ii) achievements in product commercialization; (iii) optimized and flexible technology architecture; (iv) market player with strong performance; (v) growing customer base for automotive-grade LiDAR solutions; (vi) volume production capabilities; (vii) supply chain management on quality and cost control; and (viii) visionary leadership and robust R&D capabilities.

See "Business of the Target Group – Our Competitive Strengths" in this circular for details. The Target Company recorded losses during the Track Record Period for certain reasons. Notwithstanding the foregoing, the Target Company had achieved a steady growth in revenue and sales volume during the Track Record Period and it has shown a clear path to profitability. See "Business of the Target Group" section in this circular for details.

Based on the above and having taken into account the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and other arrangements as set out below, the TechStar Directors (including the TechStar independent non-executive Directors) consider that the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the TechStar Shareholders as a whole.

SHARE REDEMPTIONS

Prior to the EGM to approve the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares for an amount per TechStar Class A Share equal to the Redemption Price, to be paid out of the monies held in the Escrow Account. The Redemption Price, payable in cash, will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including the gross proceeds received from the issuance of TechStar Class A Shares and interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. The Redemption Price will in any case be no less than HK$10.00 per TechStar Class A Share, being the price at which the TechStar Class A Shares were issued in TechStar's initial offering. The Redemption Price is expected to be determined on two Business Days prior to the EGM. TechStar will publish an announcement on the Redemption Price as soon as practicable after it has been determined.

As of the Latest Practicable Date, the estimated Redemption Price is HK$11.25 per TechStar Class A Shares. TechStar expects that there will be no significant income, expenses and taxes that are expected to be generated or incurred from the Latest Practicable Date to the date of determining the final Redemption Price.

There is no limit on the number of TechStar Class A Shares which an TechStar Class A Shareholder (alone or together with their close associates) may redeem. TechStar Class A Shareholders may elect to redeem their TechStar Class A Shares irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

The Share Redemption Election Period starts on the date of the notice of the EGM and ends on the date and time of commencement of the EGM. The Share Redemption and payment of the Redemption Price to the Redeeming TechStar Shareholders will be completed as promptly as reasonably practicable following the Closing in accordance with the Business Combination Agreement but in any event within five business days following the Closing.

If the De-SPAC Transaction is not approved or completed for any reason, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. In this case, TechStar will arrange for the Hong Kong Share Registrar to promptly return any share certificate(s) delivered by Redeeming TechStar Shareholder(s). Details of the election procedures for the Share Redemption are set out in "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right" in this circular.

Redeeming TechStar Shareholders who exercise their Share Redemption Right will not be able to exercise their Appraisal Right in respect of the TechStar Class A Shares for which the Share Redemption Right has been exercised.

TechStar Warrantholders have no redemption rights with respect to their warrants. Each TechStar Warrant will be exchanged for one Successor Company Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Share per Successor Company Warrant at the warrant exercise price of HK$11.5.

See "Letter from TechStar Board – N. Share Redemptions" and "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right" in this circular for details of the Share Redemption Right.

APPRAISAL RIGHT OF DISSENTING TECHSTAR SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting TechStar Shareholders to be paid the fair value of their Dissenting TechStar Shares, subject to limitations under Section 239 of the Cayman Companies Act. TechStar Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. TechStar Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act.

The TechStar Board has determined that the Redemption Price represents the fair value of the TechStar Shares and will make an offer to purchase the TechStar Shares from the Dissenting TechStar Shareholders at that valuation. If a Dissenting TechStar Shareholder agrees with this valuation, they will be paid the aggregate value of their TechStar Shares at this valuation. If the Dissenting TechStar Shareholders do not agree with the fair value determined

by the TechStar Board and file a petition with the Cayman court for a determination of the fair value of the Dissenting TechStar Shares, the Cayman court will determine the fair value of the Dissenting TechStar Shares as at the date of the EGM at which the Merger is approved and make an order that TechStar/the Successor Company is to pay from its own funds the aggregate value of the TechStar Shares held by each Dissenting TechStar Shareholder at that valuation. In light of the Closing, it is expected that the Successor Company will pay such fair value following the Closing.

TechStar Shareholders may exercise their Appraisal Right irrespective of whether they vote for or against the De-SPAC Transaction at the EGM. Further details of the procedures for exercising the Appraisal Right and the determination of the fair value of the TechStar Shares are set out in "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders" in this circular.

Dissenting TechStar Shareholders who validly exercise their Appraisal Right will lose their Share Redemption Right. If any Dissenting TechStar Shareholders fail to exercise or who effectively withdraws or otherwise loses its Appraisal Right pursuant to Section 238 of the Cayman Companies Act, the TechStar Shares held by such Dissenting TechStar Shareholders will cease to be Dissenting TechStar Shares and will be deemed to have been converted into the right to receive newly issued Successor Company Shares immediately following the Effective Time pursuant to the Business Combination Agreement. However, such Dissenting TechStar Shareholder will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

See "Letter from TechStar Board – O. Appraisal Right of Dissenting TechStar Shareholders" and "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders" in this circular for details of the Appraisal Right. TechStar Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the appraisal rights under the Cayman Companies Act.

IMPLICATIONS OF THE DE-SPAC TRANSACTION UNDER THE LISTING RULES AND DEEMED NEW LISTING APPLICATION

TechStar is required to comply with applicable Listing Rules regarding reverse takeovers with respect to the De-SPAC Transaction. Under Rule 14.54 of the Listing Rules, the Successor Company will be treated as if it were a new listing applicant. The Target Group is required to meet the requirements under Rules 8.04 and 8.05 of the Listing Rules and the Successor Group is required to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules). The Successor Company is required to submit a new listing application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules.

The new listing application is subject to approval by the Listing Committee, which may or may not grant its approval. If such approval is not granted, the Business Combination Agreement will not become unconditional and the De-SPAC Transaction will not proceed.

The Successor Company is applying to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants on the Main Board of the Stock Exchange on the basis that it satisfies Rule 8.05(3) of the Listing Rules with reference to (i) the Target Group's revenue for the year ended December 31, 2024, which exceeds HK$500 million and (ii) the negotiated value of the Target Company in the De-SPAC Transaction of HK$11.7 billion.

TechStar has made an application to the Stock Exchange, and the Stock Exchange has granted its permission for the withdrawal of listing of the TechStar Class A Shares (which will be subject to approval by TechStar Class A Shareholders) and the TechStar Listed Warrants as described in details below. Upon the Closing, the listing statuses of the TechStar Class A Shares and the TechStar Listed Warrants will be withdrawn, and the Successor Company Shares and the Successor Company Listed Warrants will become listed on the Main Board of the Stock Exchange.

Pursuant to Rule 6.12 of the Listing Rules, an issuer without an alternative listing on another stock exchange recognized by the Stock Exchange for this purpose may not voluntarily withdraw its listing on the Stock Exchange without the permission of the Stock Exchange, unless the requirements under paragraphs (1) to (4) of Rule 6.12 are satisfied including the approval by at least 75% of the votes of independent shareholders at the general meeting with no more than 10% of the votes against the resolution and the offer of a reasonable cash alternative or other reasonable alternative. In light of the structure of the De-SPAC Transaction, TechStar considers that Rule 6.12 of the Listing Rules is not applicable to the De-SPAC Transaction based on the following: (i) the merger structure of the De-SPAC Transaction is not different than if it was to be implemented by way of an acquisition of the Target Company by TechStar as non-redeeming TechStar Class A Shareholders will be able to hold Successor Company Ordinary Shares at the Closing in both cases, and thus Rule 6.12 is also not applicable to the structure under this De-SPAC Transaction; (ii) as TechStar is not being privatized pursuant to this De-SPAC Transaction and non-redeeming TechStar Class A Shareholders will receive listed Successor Company Ordinary Shares, and SFC has granted waiver for Rule 26.1 of the Takeover Code for this De-SPAC Transaction, the voting thresholds under Rule 6.12(2) and (3) of the Listing Rules is also not applicable to this De-SPAC Transaction; and (iii) the withdraw of listing of TechStar Class A Shares will be subject to the approval of shareholders on this De-SPAC Transaction, which will be conducted in accordance with the requirements under the Listing Rules. In addition, there is no requirement under the Cayman Companies Act or TechStar's Articles of Association for the withdrawal of listing of the TechStar Class A Shares to be subject to shareholders' approval. TechStar also has included the withdrawal of listing in the resolutions to be approved at the EGM as it is part and parcel of the entire De-SPAC Transaction. The withdrawal of listing will be subject to the same approval threshold (i.e. ordinary resolution) as the De-SPAC Transaction, with the exception that the Promoters do not have a material interest in the withdrawal of listing (unlike the

De-SPAC Transaction) and therefore should not need to abstain from voting on this resolution. Base on the foregoing, in respect of the withdrawal of listing of TechStar Class A Shares, TechStar has applied to the Stock Exchange for, and the Stock Exchange has granted its permission on the dispensation with the requirements of Rule 6.12 and the consequential requirements and withdrawal of the listing of TechStar Class A Shares with effect from the Effective Time of the Merger.

Pursuant to Rule 15.01 of the Listing Rules, warrants may be listed only if the underlying securities to be subscribed or purchased are a class of listed equity securities. Accordingly, the TechStar Listed Warrants should be withdrawn from listing simultaneously and automatically when the listing of the TechStar Class A Shares is withdrawn. Given that TechStar Listed Warrants will be exchanged for Successor Company Listed Warrants on substantially the same terms and conditions at the Closing and the Successor Company Listed Warrants will be listed on the Stock Exchange upon the Closing, TechStar considers that the exchange of TechStar Listed Warrants for Successor Company Listed Warrants, the termination of the TechStar Listed Warrant Instrument and the withdrawal of listing of the TechStar Listed Warrants therefore do not adversely affect the rights of the warrantholders in any material respect. Under the Cayman Companies Act and the TechStar Listed Warrant Instrument, TechStar Listed Warrants do not carry voting rights in TechStar's general meetings. There is no requirement under the Cayman Companies Act or the TechStar Listed Warrant Instrument for the De-SPAC Transaction, the termination of the TechStar Listed Warrant Instrument or the withdrawal of listing of the TechStar Listed Warrants to be approved by the TechStar Warrantholders. Based on the foregoing, TechStar has applied to the Stock Exchange for, and the Stock Exchange has granted its permission on the withdrawal of listing of TechStar Listed Warrants with effect from the Effective Time of the Merger.

The De-SPAC Transaction is conditional upon, and the terms of the Business Combination Agreement, the PIPE Investments Agreements, the Merger, the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants and the adoption of the TechStar Private Company Memorandum and Articles, are subject to approval by the TechStar Shareholders at the EGM and compliance with applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing), unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange.

WAIVER FROM APPLICATION OF RULE 26.1 OF THE TAKEOVERS CODE

Following the Merger and the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, TechStar will become a private unlisted company and a wholly-owned subsidiary of the Successor Company. Under Rule 26.1 of the Takeovers Code, the De-SPAC Transaction would trigger a technical mandatory general offer obligations unless a waiver is granted. The Target Company has applied for, and the SFC has granted a waiver from the application of Rule 26.1 of the Takeovers Code in relation to the De-SPAC Transaction.

OVERVIEW OF THE TARGET GROUP'S BUSINESS AND OPERATIONS

We are one of the key players in the design, development, and production of automotive-grade LiDAR solutions. In 2024, we delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to CIC. Over 97% of our revenue was generated from China during the Track Record Period. We believe that automotive-grade LiDARs featuring high image-grade resolution and long-detection range are essential for achieving mission-critical objectives and fulfilling the fundamental purpose of any LiDAR solution-enhancing safety and improving user experience. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt our LiDAR solutions on its nine models as of the Latest Practicable Date, which we believe is a strong testimony to the unique value proposition of our solutions.

We offer our LiDAR solutions for advanced driver assistance system ("ADAS") and other automotive and non-automotive application scenarios. The strong performance of our solutions, our success and leadership in commercialization and volume production, and our strong foothold in both China and the United States together distinguish us from others and position us well to continuously innovate and lead as the technology vanguard of human safety.

Dedicated to enhancing human safety with technology from day one and anticipating this emerging need for automotive-grade LiDARs, Dr. Bao and Dr. Li Yimin founded the Target Company in 2016 and started operations in the United States. We assembled a team of experts and scholars with deep technology, academic, and professional background in electronic engineering, optics, precision instruments and autonomous driving technologies. After evaluating various technology architectures in the market, we have strategically selected different wavelengths for applications under different scenarios. For example, we selected the short-wavelength infrared laser of 1,550 nanometers (nm) for ultra-long-range detection, and developed our dual-axis mirror scanning technology architecture, which we believe is the optimal technology architecture for front-view LiDARs. We unveiled our first ultra-long-range, image-grade LiDAR solution series, Cheetah, in 2018, and later launched the Falcon series in 2020. For long-range or wide-FOV detection, on the other hand, we have strategically selected the 905 nm system in our Robin series LiDAR solutions for urban low-to-medium speed front-and-side view application scenarios. We also developed our Jaguar series, which are 300-line long-range image-grade LiDAR hardware sensors designed to collect detailed and reliable data. We discontinued sales of the Jaguar series starting in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series. In 2018, as our technological architecture and product design matured and became ready for commercialization, we decided to enter China to capture the emerging market opportunities, attract local talents, and build up our supply chain and manufacturing capabilities in China. Today, we have established a strong foothold in China and the United States, and are building up our global team to seize the opportunities and tap into the market for autonomous driving, smart transportation and other non-automotive application scenarios globally. In light of their strong performance, our automotive-grade LiDARs can be widely applied in various automotive application scenarios as a critical and essential component of ADAS and ADS.

The optimal technology architecture and strong performance of our solutions have led to our success in commercialization. During the Track Record Period, we delivered a total of over 533,000 units of automotive-grade LiDAR solutions to our customers. In addition, as of the Latest Practicable Date, we had obtained design-wins from fourteen OEMs and ADAS or ADS companies in China focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics. In addition, our LiDAR solutions have been successfully incorporated and applied in various non-automotive application scenarios, including highway, metro and railways, and mining. We believe these collaborations further enhance our leadership position in the market and support our future growth. With the abovementioned partnership, we believe we have vaulted into the next stage of commercialization of our solutions by delivering more value and shoring up our cooperation with our business partners.

We have achieved significant success in the design, development and commercialization of our products. We are one of the first players with a commercialization track record in both automotive and non-automotive solutions, according to CIC. Capitalizing on the supply chain in China, we have created a supplier ecosystem, which enables and supports volume production of our LiDAR solutions. We have built up volume production facilities in Suzhou, Deqing and Pinghu, China, and retained effective control over key manufacturing and procurement processes leveraging our established supply chain, manufacturing, and commercialization experiences in China.

In addition to LiDAR sensor hardware, software also plays a critical role in ensuring high levels of safety and autonomy. Our self-developed software, OmniVidi, featuring high-resolution 3D point cloud and advanced perception algorithms, provides our customers with fully integrated LiDAR solutions in combination with our LiDAR hardware. Our integrated solution has been adopted and implemented by a number of our customers, such as a metro line operator, demonstrating our success in commercializing our solutions that combine hardware and software.

For details, see "Business of the Target Group – Overview."

Our Technology Architecture

LiDARs use laser beam scanning to formulate three-dimensional information on the detection targets, such as their relative position and shape. As automobiles become smarter (advancing to L2+ and above ADAS and ADS levels), vehicles are responsible for an increasing number of driving activities, which call for detection tools that can perceive and detect objects from afar at high resolutions with high accuracy, similar or even superior in performance to human eyes. The reliable depth accuracy of LiDARs effectively supplements camera and radar, which is important for L2+ autonomous driving. Moreover, LiDARs by its technical nature do not capture personal data and license plate information, which make LiDARs a more suitable choice in many scenarios where protection of data privacy is important.

We believe that our differentiated technology architecture lies at the foundation of and is indispensable to the strong performance of our LiDAR solutions. Our technology architecture is designed to accommodate LiDAR solutions for application in different scenarios. It can detect objects up to 250 meters away even if they are not very reflective, i.e. with a reflectivity of only 10%. It also works well in slower-speed areas, such as performing mid-range detection in low- to medium-speed area. We also believe that the semi-solid state scanning mechanism that we adopt is a highly mature scanning solution, providing high technical performance at a low cost. Based on the varying and developing market needs, we have built in sufficient flexibility in selecting different technologies regarding vertical and horizontal scanning resolution. Our architecture also allows for sufficient technological extendibility.

For details, see "Business of the Target Group – Our Technology Architecture."

Our Solutions

Our LiDAR solutions encompass two key components: our various series of LiDAR sensor hardware and our OmniVidi software, which extends the appropriate functioning of our LiDAR sensor hardware. Our LiDAR sensor hardware products primarily include Falcon, Robin and Jaguar, which are designed for a wide range of automotive and non-automotive application scenarios. The following table sets forth key performance metrics of the latest version of three series. We commenced mass production and delivery of FK2 in September 2024. We began mass production of Robin W LiDAR solutions for power swap stations and for automobiles as ancillary LiDARs in July 2024 and December 2024, respectively, and delivered in September 2024 and January 2025, respectively. The mass production of Robin EIX commenced in October 2025. We commenced sales of Jaguar in 2019 and discontinued the sales in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series.

Falcon (Ultra-long Range LiDAR)



FK2

0.1°x0.1° ROI Resolution (HxV)	1.5m~500m (250m@10%) Detection Range	2cm (1σ) Distance Precision
120°x9.6° ROI FOV	120°×25° FOV	10FPS (adjustable) Frame Rate

Robin E1X (Long Range LiDAR)/Robin W (Wide FOV LiDAR)



Robin E1X

0.1°x0.1°/0.1°x0.2° Resolution (HxV)	1m~250m (200m@10%) Detection Range	3cm (1σ) Distance Precision
6W Power Consumption	120°×20° FOV	10FPS (adjustable) Frame Rate



Robin W

0.15°x0.36° Resolution (HxV)	0.1m~150m (70m@10%) Detection Range	up to 1cm (1σ) Distance Precision
<7.2W Power Consumption	120°×70° FOV	10~20FPS (10 default) Frame Rate

Jaguar



Jaguar

300 lines Resolution	280m/400m Detection Range	<3cm (1σ) Distance Precision
0.09°x0.13° Angular Resolution	100°/65°×40° FOV	-40°C~85°C Operating Temperature

* Jaguar series are not used in automotive scenarios.

- ***Falcon Series***. Our ultra-long-range LiDAR Falcon series was designed for NIO Aquila super sensing system, and can be further adjusted to fit the requirements of other OEM partners based on the design of their vehicles and the ADAS and ADS functions they wish to realize. Falcon series have a large FOV at high angular resolutions and an adjustable high-resolution region within such FOV, much in the same ways as how human eyes function. The detection range can reach as far as 500 meters, and can achieve a detection range of 250 meters for 10% reflectivity targets with POD over 90%. The resolution can reach up to 0.1 degrees (vertical) × 0.1 degrees (horizontal), which enables Falcon Prime to effectively perceive small-sized objects at a long distance. We have also launched Falcon AI, which is currently undergoing commercialization phase. Falcon AI is an integrated ultra-long-range AI LiDAR solution.

- ***Robin Series.*** Robin series is our long-range or wide-FOV compact LiDAR solutions targeting urban low-to-medium speed application scenarios. We launched the Robin E long-range LiDAR solution in early 2022. Robin E1X, the latest vision of our Robin series, with a maximum detection range of 250 meters, and a detection range of 200 meters for 10% reflectivity targets. The Robin E1X solution has been selected for adoption by several Chinese passenger EV manufacturers as the main LiDAR for certain models. The volume production and delivery of Robin E1X solution commenced in 2025. We have also launched Robin W wide-FOV LiDAR solution in 2023 with a maximum detection range of 150 meters, and a detection range of 70 meters for 10% reflectivity targets. We began mass production of Robin W LiDAR solutions for installation at NIO power swap stations in July 2024 and delivered in September 2024. The application of our Robin W LiDAR solutions at NIO power swap stations enables long-distance recognition with a high level of precision. Robin W solution has also been selected by NIO as ancillary LiDARs, complementing our main LiDAR Falcon to provide comprehensive coverage of the vehicle's surroundings, including blind spot detection. We began mass production of Robin W LiDAR solutions for NIO as ancillary LiDARs in December 2024 and delivered in January 2025.

- ***Jaguar Series.*** Our Jaguar series are 300-line long-range image-grade LiDAR hardware sensors designed to collect detailed and reliable data. They can be widely used in non-automotive application scenarios such as urban road, highway, metro and railway to perceive and facilitate the management of urban and highway road conditions. We discontinued sales of the Jaguar series starting in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series.

  For details, see "Business of the Target Group – Our Solutions."

During the Track Record Period, we primarily derive revenues from the sale of our LiDAR solutions, which consists of (i) revenue from the sale of our Falcon, Robin and Jaguar series and (ii) others, which consists of revenue from our OmniVidi software, which cooperates with our LiDAR hardware and enables customers to process raw information detected and informs machineries of the detected objects. The following table sets forth a breakdown of our revenue by business line, both in absolute amounts and as percentages of total revenue for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)						*(unaudited)*			
Falcon series . .	65,038	98.1	118,736	98.0	153,687	96.3	50,938	98.8	48,089	92.5
Robin series . .	–	–	115	0.1	5,040	3.2	346	0.7	3,486	6.7
Jaguar series . .	821	1.2	783	0.7	–	–	–	–	–	–
Others	443	0.7	1,474	1.2	848	0.5	266	0.5	390	0.8
Total.	**66,302**	**100.0**	**121,108**	**100.0**	**159,575**	**100.0**	**51,550**	**100.0**	**51,965**	**100.0**

The following tables set forth details on the sales volumes and average selling prices of our products for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
			(unit)	*(unaudited)*	
Sales Volume					
Falcon	74,029	147,743	218,426	71,997	69,986
Robin.	–	175	11,589	388	11,228
Jaguar	95	150	–	–	–

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
			(US$/unit)	*(unaudited)*	
Average Selling Price					
Falcon	879	804	704	708	687
Robin.	–	656	435	892	310
Jaguar	8,639	5,220	–	–	–

For each of our Falcon and Robin series, the sales volume increased steadily from 2022 to 2024, primarily due to our business growth and an increase in production volumes. The sales volume of Falcon series decreased from the five months ended May 31, 2024 to the same period in 2025, primarily due to the decreased sales volume of NIO's vehicles equipped with our Falcon series. On the other hand, the sales volume of our Robin series increased significantly during the same period, as the Robin W series entered into mass production in the second half of 2024. We discontinued sales of the Jaguar series starting in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series. During the Track Record Period, the average selling price of our products for ADAS applications has been declining since volume production commenced in 2022. This trend reflects the typical product lifecycle, where prices gradually decrease following product introduction until reaching maturity. These price adjustments align with industry norms and are consistent with the practices observed among our peers, according to CIC. The average selling price of our Robin series dropped significantly for the five months ended May 31, 2025 as compared to 2023 and 2024, because Robin W series has entered into mass production since the second half of 2024 and were sold as the price for bulk delivery. During the same period, raw material costs per unit were reduced through research and development efforts, enabling cost optimization and efficiency improvements that offset the decline in average selling price. Furthermore, manufacturing efficiency improved as a result of economies of scale achieved since the commencement of volume production in 2022, contributing to overall operational efficiency.

According to CIC, it is a common industry practice for OEMs to require suppliers to provide annual price reductions after products reach maturity, typically ranging from 1% to 5%. In line with this practice, we generally engage in year-end negotiations with our automotive customers, including NIO, to finalize pricing for the upcoming year. In 2025, NIO, our largest customer, implemented price reductions on certain LiDAR-equipped models, ranging from 8% to 11%. Following this move, a potential annual price reduction request by NIO for 2026 would exert further downward pressure on our product pricing. Our Directors are of the view and the Joint Sponsors concur that any such price reduction requested by NIO is unlikely to have a material adverse impact on our business and financial performance, because we will continue to reduce the raw material cost per unit through ongoing research and development, enabling cost optimization and operational efficiency improvements that will offset the potential decline in selling price. See "Business of the Target Group – Our Solutions" in this circular for details.

The following table sets forth a breakdown of our revenue by geographical region based on the locations of the end customers, both in absolute amounts and as percentages of total revenue for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(unaudited)			
China[(1)]	65,424	98.7	117,491	97.0	155,646	97.5	50,523	98.0	50,026	96.3
Others[(2)]	878	1.3	3,617	3.0	3,929	2.5	1,027	2.0	1,939	3.7
Total	**66,302**	**100.0**	**121,108**	**100.0**	**159,575**	**100.0**	**51,550**	**100.0**	**51,965**	**100.0**

Notes:

(1) Including mainland China and Hong Kong, China.

(2) Other regions mainly include the United States, Germany, France, Sweden, the United Arab Emirates, the United Kingdom, etc.

The following table sets forth the gross profit/(loss) and gross margin of our various business lines during the periods indicated. We incurred gross loss in 2022, primarily because we were at the beginning of commencing volume production of our Falcon series. As our sales volume increased over the years, we have narrowed down our gross loss in 2023 and 2024. We achieved gross profit margin of 12.9% in the first five months of 2025, evidencing our path towards profitability.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	Gross profit/ (loss)	*Gross margin*	*Gross profit/ (loss)*	*Gross margin*	*Gross profit/ (loss)*	*Gross margin*	*Gross profit/ (loss)*	*Gross margin*	*Gross profit/ (loss)*	*Gross margin*
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(unaudited)			
Falcon series	(42,036)	(64.6)	(42,964)	(36.2)	(13,584)	(8.8)	(14,126)	(27.7)	7,854	16.3
Robin series	–	–	(139)	(120.9)	(566)	(11.2)	(160)	(46.2)	(1,319)	(37.8)
Jaguar series	518	63.1	424	54.2	–	–	–	–	–	–
Others	197	44.5	320	21.7	244	28.8	(45)	(16.9)	179	45.9
Total/Overall	**(41,321)**	**(62.3)**	**(42,359)**	**(35.0)**	**(13,906)**	**(8.7)**	**(14,331)**	**(27.8)**	**6,714**	**12.9**

Our Sales Network

We have developed a sales network that integrates both distributorship and direct sales. While our primary focus is on direct sales, we also leverage the local expertise and connections of our distributors to expand our customer base. We started selling to distributors in 2022. Our distributor network consists of 26 distributors covering the U.S., United Kingdom, and several European markets as of May 31, 2025. In 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, the revenue generated from the distributors amounted to US$0.06 million, US$0.55 million, US$1.25 million, US$0.32 million and US$0.50 million respectively, representing 0.10%, 0.45%, 0.78%, 0.61% and 0.96% of our total revenues during the same period, respectively. For details, see "Business of The Target Group – Sales and Marketing – Distributorship."

OUR COMPETITIVE STRENGTHS

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

- Market and Growth Potentials for Automotive-Grade LiDAR Solutions;

  The global automotive-grade LiDAR market is projected to grow from US$2.2 billion in 2025 to US$32.1 billion by 2030, with a CAGR of 70.4%, according to CIC. This growth is driven by increasing adoption of L2+ and above autonomous driving systems and growing demand for safety enhancements.

- Achievements in Product Commercialization;

  We began volume delivery in March 2022 and became the first worldwide to deliver over 10,000 automotive-grade LiDAR units, according to CIC. Our LiDAR solutions have adopted by large OEMs like NIO, which demonstrates market recognition of our products.

- Optimized and Flexible Technology Architecture;

  We utilize both 1,550 nm and 905 nm systems for long- and mid-range detection and employs dual-axis scanning for front-view LiDARs. This flexible architecture supports a variety of automotive applications and enables reliable volume production.

- Market Player with Strong Performance;

  Our LiDARs offer 250-meter detection range for low reflectivity targets and 500-meter maximum range with high resolution, ensuring precise perception under challenging conditions. These technical advantages support the object-detection needs of L2+ and ADS systems.

- Growing Customer Base for Automotive-Grade LiDAR Solutions;

  We have built strong ties with OEMs. During the Track Record Period, we delivered over 533,000 units to our customers for integration into various vehicle platforms.

- Volume Production Capabilities;

  With three production facilities in Suzhou, Deqing, and Pinghu, we have reached an annual production capacity of approximately 750,000 units as of January 1, 2025. We also have in-house engineering teams to ensure high product quality.

- Supply Chain Management on Quality and Cost Control;

  We have built strategic cooperation with suppliers, including those providing key components such as semiconductors, lenses, and detectors. This stable supply chain ensures quality, reduces costs, and enhances our resilience against market disruptions.

- Visionary Leadership and Robust R&D Capabilities.

  Led by co-founders with academic and industrial expertise, we operate R&D centers in the U.S. and China and a broad patent portfolio. Our interdisciplinary team supports continuous innovation in safety-enhancing LiDAR technologies.

For details, see "Business of the Target Group — Our Competitive Strengths."

OUR GROWTH STRATEGIES

To achieve our mission and further solidify our leadership, we intend to pursue the following strategies:

- Strengthen Partnerships with OEMs and ADAS or ADS Companies;

  We plan to strengthen our partnerships with OEMs and autonomous driving system providers by scaling up production and customization capabilities to meet customer demands. We have already secured fourteen design-wins as at the Latest Practicable Date and aim to expand relationships with more tier-one customers through our competitive advantages and marketing outreach.

- Continuously Invest in Research and Development and Broaden Portfolio of Automotive-Grade LiDAR Solutions;

Ongoing R&D investments will focus on improving LiDAR system performance, reducing size and cost, and expanding application scenarios like the Falcon and Robin series. Resources will be allocated to meet the evolving needs of cost-sensitive L2+ passenger EVs and commercial logistics vehicles.

- Optimize Production Costs through Supply Chain and Process Efficiency;

  We aim to localize critical components, enhance automation in manufacturing, and reduce the BOM cost of its Falcon series LiDAR solutions. These efforts are designed to achieve scale efficiency, improve gross margins, and support long-term profitability.

- Enhance Global Presence;

  By establishing localized sales and R&D teams worldwide, we seek to deepen relationships with suppliers and customers while expanding manufacturing capacity. A flexible, opportunity-driven expansion strategy will prioritize regions aligned with product strengths and commercialization goals.

- Expand Non-Automotive LiDAR Solutions Portfolio;

  We plan to diversify into perimeter security and low-altitude logistics applications, which share technical commonalities with automotive LiDAR. This expansion will help increase production utilization, customer base, and resilience against automotive industry cycles.

- Invest in Software Iteration and Upgrades.

  We will continue developing platforms like OmniVidi to enhance compatibility, data analytics, and use-case adaptability for smart transportation scenarios. Software upgrades aim to strengthen hardware value, increase customer retention, and support differentiated product applications.

For details, see "Business of the Target Group — Our Growth Strategies."

RISK FACTORS

Our business and the De-SPAC Transaction involve certain risks, which are set out in "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face are relating to:

- We rely substantially on a single customer.
- Our long-term framework procurement agreements with NIO do not guarantee any sales orders from NIO.
- Emergence of camera-based solutions may adversely affect market adoption of lidar and our business.
- We are an early stage company with a history of losses and net operating cash outflow, which are expected to continue in the near future as we rapidly grow our business.
- Our limited operating history may make it difficult to predict our future prospects and the risks and challenges we may encounter in the rapidly evolving LiDAR solutions market.
- If we are unable to overcome our limited sales history and establish and maintain confidence in our long-term business prospects among customers in our target markets, our financial condition, operating results, business prospects and access to capital may suffer materially.
- We face vigorous competition from peers, some of which have substantially greater resources.
- The proper functioning of our automotive and non-automotive LiDAR solutions is essential to our business. The complexity of our products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in our hardware or software which could reduce the market adoption of our products, damage our reputation with current or prospective customers, expose us to product liability and other claims and thereby adversely affect our operating costs.
- The markets in which we compete are characterized by rapid technological changes, requiring us to continue to develop new products and product innovations, and could adversely affect market adoption of our products.
- Although we believe that LiDAR is an essential technology for automotive and non-automotive customers, market adoption of LiDARs is uncertain.
- We expect to incur substantial R&D costs and devote significant resources to identifying and commercializing new generations of LiDAR solutions, which could significantly reduce our profitability and may not result in the expected increase in revenue.

- Key components in our products come from limited third party suppliers, and we expect to rely on third parties as our strategic suppliers to manufacture a significant portion of our products for the foreseeable future. Interruptions in our relationships with these third parties could adversely impact our business.

BUSINESS SUSTAINABILITY

We achieved sustained business growth but were loss-making during the Track Record Period. We recorded gross loss of US$41.3 million, US$42.4 million, US$13.9 million, and US$14.3 million in 2022, 2023 and 2024 and five months ended May 31, 2024, respectively, and recorded gross profit of US$6.7 million in the five months ended May 31, 2025. The following table sets forth certain financial data for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(unaudited)	
Revenue	66,302	121,108	159,575	51,550	51,965
Gross (loss) profit	(41,321)	(42,359)	(13,906)	(14,331)	6,714
Loss for the year/period	(188,165)	(218,970)	(398,195)	(74,291)	(21,494)
Gross (loss) profit margin	(62.3)%	(35.0)%	(8.7)%	(27.8)%	12.9%

Our losses during the Track Record Period were primarily because of the following reasons:

- Operation in an emerging market. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is still at its early stage of development. In particular, the penetration rate of LiDAR solutions in automotive industry was still low, which was only 2.5% in 2024, according to CIC. Moreover, unlike the relatively more mature 905 nm LiDAR segment, which is characterized by higher competition and broader adoption among low-to-mid-tier models, the high-end 1,550 nm LiDAR market that we primarily operate in remains nascent, with fewer players and more specialized applications. As a first mover in this segment, we incurred significant upfront research and development expenses to design and scale our solutions, resulting in a longer ramp-up period before achieving profitability. To further reinforce our presence and competitiveness in the emerging market, we have devoted significant resources on R&D and product development to ensure we are poised for long-term competitiveness.

- Continued investment in R&D and product development. We continue to invest in the R&D of new products and autonomous driving technologies. We invested in the R&D of both 1,550 nm and 905 nm laser based LiDAR solutions during the Track Record Period. In 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, we incurred R&D expenses of US$78.1 million, US$63.8 million, US$37.0 million, US$20.9 million and US$13.7 million, accounting for 117.8%, 52.7%, 23.2%, 40.5% and 26.3% of our revenue in the same periods, respectively. Our continuing investments in the R&D led to our volume production of the 1,550 nm laser-based LiDAR Falcon series and the development of the 905 nm laser-based LiDAR Robin series.

- Early-Stage Development of Innovative Products. Our Falcon series adopts a 1,550 nm laser-based system that offers strong performance compared to the more commonly used 905 nm laser-based LiDAR solutions. As a result, the cost of the Falcon series is significantly higher than that of 905 nm alternatives. However, given the importance of market acceptance in pricing, we intend to offer competitive pricing to potential customers in order to effectively compete with 905 nm LiDAR solutions. At the same time, both the Falcon series and its supply chain remain in the early stages of development, and current production costs remain relatively high. Most of our revenue during the Track Record Period came from the Falcon series, which was generating a gross loss until the fourth quarter of 2024 after reaching volume production in 2022. However, the gross margin of Falcon series has been improving steadily, increasing from negative 64.6% in 2022 to negative 36.2% in 2023 and further to negative 8.7% in 2024. The Falcon series achieved a positive gross margin for the first time in the fourth quarter of 2024 after reaching volume production. It achieved gross profit of 16.3% in the first five months of 2025, and is expected to remain positive moving forward as per-unit production costs continue to decrease.

- Innovative product supply chain establishment. The nascent nature of the LiDAR market means that a stable and optimized supply chain for raw materials and components is still under development. Due to the limited number of suppliers and the need for customized components, the early supply chain for 1,550 nm LiDAR was underdeveloped, leading to elevated BOM costs and production inefficiencies. We have allocated significant resources to establish and strengthen our supply chain network, ensuring reliable access to high-quality components while addressing challenges such as supplier capacity constraints and cost fluctuations. These efforts, although essential for the long-term viability of our business, have contributed to the losses during the Track Record Period.

We aim to maintain sustainability and achieve profitability in the future through: (i) continuously growing revenue and expanding sales volume; (ii) actively reducing cost of sales; and (iii) enhancing operating efficiency. With our improved profitability, we also expect our operating cash flow to improve concurrently.

Continuously Growing Revenue and Sales Volume

We have achieved a steady growth in revenue and sales volume from 2022 to 2024 and from the five months ended May 31, 2024 to the five months ended May 31, 2025. We expect that our revenue and sales volume growth will be driven by the following factors:

- Favorable market trend. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth. This is largely driven by the increasing needs and emphasis on safety enhancement with the increasing penetration of ADAS and the adoption of LiDAR solutions on vehicles with autonomous driving functions of L2+ or above by a vast majority of automotive OEMs globally. The application of LiDAR solutions is expected to experience significant growth in the next decade. We believe we are well positioned to fully capture the market potential and achieve sustainable significant growth in the future.

- Improved solution and product offerings. We launched the Falcon series, Robin Series and the Jaguar series, and we intend to further develop our existing and potentially other product offerings to build a broader automotive-grade LiDAR solution portfolio. We plan to leverage our investments in research and development to further enhance our product offerings, ensuring they remain at the forefront of innovation and aligned with market demand. By building on our existing technological capabilities, we aim to introduce improvements that not only strengthen the competitiveness of our current products but also expand our portfolio to address new market opportunities. We will continue to upgrade and iterate on our existing 1,550 nm LiDAR solutions to optimize product design, enhance technological infrastructure, improve end-product quality, and expand their application scenarios. We achieved volume production of our 905 nm LiDAR solutions, the Robin series, in 2024 and plan to further develop and commercialize these solutions to meet evolving market trends and address the needs of a broader range of potential customers, thereby expanding our portfolio of automotive-grade LiDAR offerings. These efforts are expected to drive increased revenue and sales volume, supporting sustainable growth.

- Customer retention and expansion. We expect to deepen our relationships with existing customers and expand our customer base in terms of breadth and depth. During the Track Record Period, we delivered a total of over 533,000 units of automotive-grade LiDAR solutions to our customers. In addition, as of the Latest Practicable Date, we had obtained design-wins from fourteen OEMs and ADAS or ADS companies, including focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. These design-wins indicate that our LiDAR solutions have been selected to be integrated into the products or systems of these customers.

- Expand into new geographic markets. We aim to extend our reach beyond markets in China and bring our solutions to enable global partners. We are currently in various stages of cooperation with several companies in the U.S., Europe and Asia to conduct testing, and explore the potential to adopt our automotive-grade LiDAR solutions on their respective products; in particular, we are in the final running for engagement with many OEMs and other customers worldwide, with potential volume production expected in the coming years. We plan to enhance our global business development and sales and marketing efforts by expanding localized teams in overseas markets and hiring experienced personnel. These initiatives aim to strengthen our relationships with OEMs worldwide.

- Introduce non-automotive solutions meeting the surging demand for in a wide variety of application scenarios. According to CIC, with technological development and safety demands, the market size of global non-automotive LiDAR solutions is expected to expand rapidly from US$1,273.6 million in 2025 to US$9,158.0 million in 2030, representing a CAGR of 48.4% during 2025 and 2030. We have devoted efforts in the non-automotive LiDAR solutions market including smart transportation, smart railways, industrial safety and automation and V2X. We are one of the first players with a commercialization track record in both automotive and non-automotive solutions, according to CIC. We plan to introduce non-automotive solutions with more advanced technologies in a wide variety of application scenarios, which we believe allow us to charge a higher price and can further boost our revenue growth.

Reducing Cost of Sales

Our cost of sales amounted to US$107.6 million, US$163.5 million, US$173.5 million, US$65.9 million and US$45.3 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, accounting for 162.3%, 135.0%, 108.7%, 127.8% and 87.1% of our revenue in the same periods, respectively. We believe we are able to reduce cost of sales due to the following factors:

- Optimization of product design. Through the development of high-performance LiDAR products, we have accumulated know-how in R&D, commercialization and production of LiDAR solutions, which in turn will further strengthen our competitiveness in the industry. We continue to optimize our product design, such as reducing the weight and the size of the products, raising the quality of the end product, optimizing the structure, reducing the number of components, and eliminating additional processes, which we believe will cut product cost and improve gross margin. As a result of our continuous efforts, the cost of our LiDAR solutions significantly decreased during the Track Record Period and is expected to decline further in the coming years.

- Well-established supply chain. Driven by favorable industry trends and the growing adoption of LiDAR technology, the supply chain for raw materials and components is expected to become increasingly stable and well-established. During the Track Record Period, we allocated significant resources to establish a dual-supplier system, under which we aim to secure supply relationships with at least two suppliers for each critical raw material and component used in manufacturing. This initiative enhances the stability of our supply chain and strengthens our negotiating power, both of which are essential to effective procurement cost control. We intend to continue investing substantial resources to further strengthen our supply chain network, including forming strategic partnerships with key suppliers to ensure stable access to high-quality components.

- Realization of economies of scale. As production volumes increase, we expect to realize greater economies of scale, which will significantly enhance cost efficiency across our operations. Higher production volumes allow for the optimization of manufacturing processes, better utilization of fixed costs, and improved procurement efficiency through bulk purchasing of raw materials and components. These efficiencies are anticipated to contribute to lower per-unit production costs, improved margins, and overall operational scalability. We also intend to improve our production capabilities and level of automation of our production lines. While such investments may result in an increase in our capital expenditure in the short term, they will simplify and streamline our production process and improve cost efficiency, and in turn improve our profitability.

Improving Gross Profit

We recorded gross losses of US$41.3 million, US$42.4 million, US$13.9 million, US$14.3 million and a gross profit of US$6.7 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, demonstrating a trend of narrowing gross losses and turning into gross profit. Importantly, we achieved positive gross profit since the fourth quarter of 2024. This milestone serves as compelling evidence of the effectiveness of our strategies and marks a significant step toward sustainable growth and profitability.

Enhancing Operational Efficiency

We also aim to enhance operational efficiency. Our R&D expenses in absolute amounts may increase alongside the development of our autonomous driving technologies and the expansion of our product portfolio in future; however, we expect that our R&D expenses (excluding share-based payments) as a percentage of revenue will gradually decline in the long term, along with the maturity of our product mix. We expect our administrative expenses in the absolute amount to increase alongside our business expansion in the future, but our administrative expenses (excluding share-based payments and listing expenses) as a percentage of revenue may gradually decline in the long term. We expect our selling expenses in the

absolute amount to increase alongside our business and service network expansion in the future. We expect our selling expenses (excluding share-based payments) as a percentage of revenue to gradually decline in the long term.

The Directors believe that our business model remains sustainable despite customer concentration on NIO and product concentration on the Falcon series. Our relationship with NIO is built on mutual collaboration and technological innovation, providing a stable revenue base and demonstrating our competitiveness in the automotive industry. Such reliance on a key customer is consistent with industry norms for early-stage companies, which often focus on major customers to establish market credibility and stable revenue streams before diversifying. Additionally, we have implemented robust risk mitigation measures and successfully secured many other customers and design wins, demonstrating our commitment to reducing reliance on any single customer and strengthening our market position. For details, see "Business of the Target Group – Our Relationship with NIO." Moreover, our sustained investment in R&D has strengthened our technological capabilities, enabling us to enhance the performance and competitiveness of our existing products while positioning us to capitalize on future market opportunities. These factors collectively reinforce our confidence in the sustainability of our business model.

These strategic initiatives are supported by the intended use of proceeds, which will fund the development of key product platforms, upgrades to production capabilities, and expansion of our global business development efforts. For details, see "Business of the Target Group – Business Sustainability."

OUR CUSTOMERS AND SUPPLIERS

Our products are sold to customers from a variety of regions around the world, mainly including China. Our customers primarily comprise two categories: (i) end users, and to a lesser extent, (ii) distributors. End users include specific businesses and institutions, primarily OEMs, ADAS or ADS companies, and system integrators. For automotive LiDAR solutions, we maintain business relationships with OEMs and ADAS or ADS companies. For non-automotive LiDAR solutions, we sell to system integrators in industries such as smart transportation, smart railway, industrial safety, and automation, including mines and rail transit operators seeking to enhance safety and automate operations. In certain cases, we also directly sell our non-automotive LiDAR solutions to end users of non-automotive applications. In 2022, 2023, 2024 and five months ended May 31, 2025, the aggregate revenues generated from our five largest customers in each period were US$62.4 million, US$113.7 million, US$151.0 million and US$47.9 million, representing 94.1%, 93.9%, 94.7% and 92.2% of our revenues, respectively. In the same time period, revenues generated from our largest customer in each period were US$58.8 million, US$109.8 million, US$146.1 million and US$44.8 million, representing 88.7%, 90.6%, 91.6% and 86.2% of our revenues, respectively. For details, see "Business of the Target Group – Our Customers."

During the Track Record Period, our suppliers mainly include third-party suppliers which provide various types of components that are adopted in our LiDAR sensor hardware products. We primarily work with third-party suppliers in China, and also source certain key components such as TI chips from suppliers overseas including the United States. In 2022, 2023, 2024 and five months ended May 31, 2025, purchases from our five largest suppliers in each period during the Track Record Period in aggregate amounted to US$111.3 million, US$98.6 million, US$102.2 million and US$29.2 million, accounting for 53.1%, 47.8%, 59.0% and 60.8% of our total purchases, respectively. In the same period of time, purchases from our largest supplier amounted to US$36.2 million, US$49.3 million, US$28.1 million and US$9.8 million, accounting for 17.3%, 23.9%, 16.2% and 20.4% of our total purchases, respectively. For details, see "Business of the Target Group – Our Suppliers."

OUR RELATIONSHIP WITH NIO

NIO was our largest customer in each period during the Track Record Period. Our revenue from NIO was US$58.8 million, US$109.8 million, US$146.1 million and US$44.8 million in 2022, 2023, 2024 and five months ended May 31, 2025, respectively, representing 88.7%, 90.6%, 91.6% and 86.2% of our total revenues during the same periods, respectively. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt our LiDAR solutions on its nine models as of the Latest Practicable Date. We began the volume production of our LiDAR products for NIO since 2022. We have entered into two long-term framework procurement agreements with NIO in 2022 and are the only LiDAR solutions provider supplying NIO as of the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with NIO and there was no interruption or dispute in respect of our cooperation with NIO. Given our substantial revenue concentration on NIO, if NIO decides to terminate or decrease the level of its cooperation with us in the future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see "Risk Factors – Risks Related to the Target Group's Business and Industry – We rely substantially on a single customer."

During the Track Record Period, a significant portion of our revenue was derived from NIO, resulting in the majority of our trade receivables as of May 31, 2025 being due from NIO. As such, we cannot assure that we will be able to collect all or any of our trade receivables, or receive timely payment for any unbilled work. Consequently, we are exposed to credit risk arising from such delayed or uncertain collections. See "Risk Factors – We are subject to credit risk for trade and other receivables and prepayment, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations."

Our Directors are of the view that the Target Group's business model is sustainable despite our customer concentration. In particular, our Directors believe that the risk of NIO significantly reducing or terminating its cooperation with us is relatively low, based on several factors. First, we have maintained a stable and longstanding relationship with NIO throughout the Track Record Period, partnering with them ever since they elected to incorporate LiDAR

solutions into their vehicle models without any material interruptions or disputes. Second, we are currently the only LiDAR solutions provider supplying NIO with LiDAR solutions and the only supplier capable of delivering mass-produced 1,550 nm LiDAR solutions for NIO, which makes us difficult to substitute in the short term. NIO-branded vehicle models were designed in part based on the data range and depth accuracy provided by our LiDAR solutions, which come as standard configuration of ADAS system in all NIO-branded vehicle models of NIO's NT 2.0 platform and NT 3.0 platform. In this regard, we understand that NIO has limited viable alternative suppliers for the relevant product within its current vehicle production timeline.

The following table below sets forth a breakdown of our revenue from NIO by product category for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Sales of LiDAR products	58,809	99.9	109,750	99.9	146,097	100.0	47,261	99.9	44,787	99.9
Others[(1)]	19	0.1	30	0.1	13	–	6	0.1	4	0.1
Total	**58,828**	**100.0**	**109,780**	**100.0**	**146,110**	**100.0**	**47,267**	**100.0**	**44,791**	**100.0**

Note:

(1) Others primarily include sales of components for LiDAR hardware.

As a result of the diversification of our customer base and product applications, our revenue contribution from NIO is expected to decrease moving forward. For details, see "Business of the Target Group – Our Relationship with NIO."

Honour Key Limited, a Target Company's existing Shareholder that will hold 9.14% in the Successor Company upon completion of the De-SPAC Transaction (assuming the Presumptions), is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company. In addition, Glory Summer Worldwide Limited, a Target Company's existing Shareholder that will hold 1.75% in the Successor Company upon completion of the De-SPAC Transaction (assuming the Presumptions), is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Target Company, and an employee incentive platform (of which none of the persons holds controlling stake), respectively. Mr. Li Bin is a shareholder of NIO

which is our largest customer in each period during the Track Record Period. NIO is not a connected person and accordingly, the Group's transactions with NIO do not constitute connected transactions under Chapter 14A of the Listing Rules, because (i) Honour Key Limited and Glory Summer Worldwide Limited are not connected persons of the Target Company and (ii) Mr. Li Bin, despite being the controlling shareholder of NIO, does not ultimately control more than 50% of voting rights in any of Honour Key Limited and Glory Summer Worldwide Limited.

Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in NIO. Save as aforementioned, none of NIO or its shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates. Negotiations of the terms of our sales to NIO were conducted on a transaction-by-transaction basis, and our sales to NIO were priced consistently with those to our other customers.

THE SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Bao controlled the exercise of approximately 20.97% of the voting rights of the Target Company, including:

- approximately 6.04% of the voting rights of the Target Company Shares, held by High Altos Limited, a company wholly-owned by Dr. Bao;

- approximately 10.60% of the voting rights of the Target Company Shares, held by Phthalo Blue LLC, a limited liability company of which Dr. Bao is the manager;

- approximately 3.31% of the voting rights of the Target Company Shares held by the ESOP Proxy Grantors pursuant to the Award Agreements and the Trust Deed, in which Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 1,790,823 Target Company Shares. The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed; and

- approximately 1.02% of the voting rights of the Target Company Shares, which are granted to Dr. Bao pursuant to the Voting Proxy Agreements (as summarized below) by the Proxy Shareholders.

As of the Latest Practicable Date, Dr. Bao is considered to be in a position to control the composition of a majority of the Board of the Target Company, considering that he is entitled to cast six votes (out of a total of 11 votes from no more than six Directors of the Target Company (including Dr. Bao)) in the Board of the Target Company, according to the Target

Company Articles. As such, as of the Latest Practicable Date, Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of Controlling Shareholders of the Target Company by virtue of Rule 1.01 of the Listing Rules.

Immediately following the Closing (assuming the Presumptions), each Successor Company Director is entitled to cast one vote in the Successor Board. Dr. Bao, through High Altos Limited and Phthalo Blue LLC and by virtue of the Voting Proxy Agreements, will be able to control and exercise approximately 13.70% of the voting rights of the Successor Company. As such, immediately following the Closing (assuming the Presumptions), Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of single largest shareholders of the Successor Company as no other Shareholder will be capable of exercising more voting rights than those exercisable by Dr. Bao (through High Altos Limited, Phthalo Blue LLC and the Voting Proxy Agreements).

Therefore, Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of single largest shareholders of the Successor Company. See "Relationship with the Single Largest Group of Shareholders of the Successor Company" for further details.

PRE-LISTING INVESTORS OF THE TARGET GROUP

Since the establishment of Target Company, it has received multiple rounds of Pre-Listing Investments. For further details of the identity and background of the Pre-Listing Investors and the principal terms of the Pre-Listing Investments, please see "History, Development and Corporate Structure of the Target Group" in this circular.

POTENTIAL DILUTION EFFECT OF THE DE-SPAC TRANSACTION

In connection with or following the De-SPAC Transaction (including the issuance of Successor Company Shares to the Promoters and the PIPE Investors and the potential exercise of Successor Company Warrants), the shareholding and value of shareholding of Successor Company Shareholders (including non-redeeming TechStar Shareholders) will be diluted.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will become exercisable 30 days and 12 months after the Closing, respectively, subject to the satisfaction of certain conditions. Furthermore, Successor Company Shares will be issued to the Promoters and the PIPE Investors and additional Successor Company Shares may be issued pursuant to the potential exercise of the Successor Company Warrants and the Permitted Equity Financing (if any). Any such share issuances would increase the number of Successor Company Shares eligible for future resale in the public market and result in dilution to Successor Company Shareholders.

For details of the potential dilution effect, see details set forth in the section headed "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 7. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction".

SUMMARY OF TARGET GROUP'S HISTORICAL FINANCIAL INFORMATION

Description of Key Consolidated Income Statements Items

The table below sets forth our consolidated income statements for the periods indicated derived from our consolidated income statements set out in the Accountant's Report included in Appendix I to this circular.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(unaudited)	
Revenue	**66,302**	**121,108**	**159,575**	**51,550**	**51,965**
Cost of sales	(107,623)	(163,467)	(173,481)	(65,881)	(45,251)
Gross (loss) profit	**(41,321)**	**(42,359)**	**(13,906)**	**(14,331)**	**6,714**
Other income	2,005	3,070	2,458	941	2,163
Other gains and losses	502	(2,653)	(262)	(11)	(416)
Selling and marketing expenses	(6,887)	(9,204)	(8,213)	(3,948)	(3,750)
Administrative expenses	(15,238)	(18,306)	(21,357)	(10,805)	(7,598)
Research and development expenses	(78,120)	(63,789)	(36,958)	(20,882)	(13,674)
Net impairment losses under expected credit loss ("ECL") model	(13)	(153)	(1,625)	(1,193)	172
Fair value changes of financial instruments at fair value through profit or loss ("FVTPL")	(43,257)	(80,448)	(312,025)	(21,865)	(1,280)
Professional fees and expenses related to De-SPAC Transaction	–	–	(2,485)	(1,186)	(1,255)
Other expenses	(5,178)	(2,176)	(424)	114	–
Finance costs	(319)	(2,080)	(2,657)	(874)	(2,337)
Loss before tax	(187,826)	(218,098)	(397,454)	(74,040)	(21,261)
Income tax expenses	(339)	(872)	(741)	(251)	(233)

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	(US$ in thousands)				
				(unaudited)	
Loss for the year/period	**(188,165)**	**(218,970)**	**(398,195)**	**(74,291)**	**(21,494)**
Other comprehensive (expense) income					
Item that may be reclassified to profit or loss:					
Exchange differences on translation from functional currency to presentation currency	(3,682)	2,557	(34)	12	214
Total comprehensive expense for the year/period	**(191,847)**	**(216,413)**	**(398,229)**	**(74,279)**	**(21,280)**
Loss per share (US$)					
– Basic and diluted	(16.49)	(18.78)	(32.12)	(6.03)	(1.72)

For details, see "Financial Information of the Target Group — Description of Key Consolidated Income Statements Items."

Non-IFRS Measure

Our consolidated financial information was prepared in accordance with IFRS. To supplement our consolidated results which were prepared and presented in accordance with IFRS, we use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that the measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of items, such as certain non-cash items. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back fair value changes of financial instruments at fair value through profit or loss ("**FVTPL**"), share-based compensation, and

De-SPAC Transaction expenses. Our fair value changes of financial instruments at FVTPL primarily relates to fair value changes of our redeemable convertible preferred shares. As our redeemable convertible preferred shares shall be converted into ordinary shares upon the completion of the De-SPAC Transaction, such preferred shares will be re-classified from liabilities to equity upon the Listing. Share-based compensation is non-cash in nature. The following table sets forth a reconciliation of our adjusted net loss (non-IFRS measure) for 2022, 2023, 2024 and five months ended May 31, 2024 and 2025 to the nearest measures prepared in accordance with IFRS.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(unaudited)	
Loss for the year/period	**(188,165)**	**(218,970)**	**(398,195)**	**(74,291)**	**(21,494)**
Add:					
Fair value changes of financial instruments at FVTPL	43,257	80,448	312,025	21,865	1,280
Share-based compensation	1,919	1,313	786	469	253
De-SPAC Transaction expenses	–	–	2,485	1,186	1,255
Adjusted net loss (non-IFRS measure)	**(142,989)**	**(137,209)**	**(82,899)**	**(50,771)**	**(18,706)**

Selected Items from Consolidated Balance Sheets

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountant's Report included in Appendix I to this circular.

	As of December 31,			As of May 31,
	2022	**2023**	**2024**	**2025**
	(US$ in thousands)			
Non-current assets	24,210	38,346	49,963	47,334
Current assets	194,224	215,934	126,707	116,095
Total assets	**218,434**	**254,280**	**176,670**	**163,429**
Current liabilities	128,547	148,989	125,299	130,161
Net current assets/(liabilities)	**65,677**	**66,945**	**1,408**	**(14,066)**
Non-current liabilities	451,542	679,914	1,023,394	1,026,308
Total liabilities	**580,089**	**828,903**	**1,148,693**	**1,156,469**
Net liabilities	**(361,655)**	**(574,623)**	**(972,023)**	**(993,040)**

For details, see "Financial Information of the Target Group — Discussion of Selected Items from the Consolidated Balance Sheets." Our net liabilities increased from US$361.7 million as of December 31, 2022 to US$574.6 million as of December 31, 2023, primarily due to total comprehensive expenses for the year of US$216.4 million in 2023. Our net liabilities further increased from US$574.6 million as of December 31, 2023 to US$972.0 million as of December 31, 2024, primarily due to total comprehensive expenses for the year of US$398.2 million. Our net liabilities further increased from US$972.0 million as of December 31, 2024 to US$993.0 million as of May 31, 2025, primarily due to total comprehensive expense of US$21.3 million for the five months ended May 31, 2025. As our redeemable convertible preferred shares shall be converted into ordinary shares immediately before the completion of the De-SPAC Transaction, such preferred shares will be re-classified from liabilities to equity upon the Listing. See "Risk Factors – Risks Related to the Target Group's Business and Industry – We recorded net liabilities in the past, and recorded net current liabilities as of May 31, 2025 which might expose us to certain liquidity risks and could constrain our operational flexibility."

Selected Consolidated Statements of Cash Flow Data

The following table sets forth a summary of our cash flows for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(unaudited)	
Cash used in operations	(109,380)	(134,570)	(47,175)	(49,194)	(24,560)
Income tax paid	(77)	(820)	(509)	(497)	–
Interest Received	1,262	2,267	1,228	420	210
Net cash used in operating activities	(108,195)	(133,123)	(46,456)	(49,271)	(24,350)
Net cash used in investing activities	(14,372)	(31,445)	(7,222)	(7,493)	(1,079)
Net cash from (used in) financing activities	139,804	159,115	(9,962)	(4,618)	4,136
Net increase (decrease) in cash and cash equivalents	17,237	(5,453)	(63,640)	(61,382)	(21,293)
Cash and cash equivalents at the beginning of the year/period	97,764	113,133	107,306	107,306	43,010
Effect of foreign exchange rate changes	(1,868)	(374)	(656)	161	222
Cash and cash equivalents at the end of the year/period	113,133	107,306	43,010	46,085	21,939

In the five months ended May 31, 2025, our net cash used in operating activities was US$24.4 million. The difference between our loss for the five months of US$21.5 million and the net cash used in operating activities was mainly adjusted by movements in working capital, including increase in trade and other receivables and prepayment of US$6.4 million and increase in inventories of US$3.0 million, primarily due to an increase in the total sales amount of our Robin series, partially offset by (i) depreciation of property and equipment of US$2.8 million, (ii) finance costs of US$2.3 million, primarily due to the interests incurred on long term payables and borrowings, and (iii) write-down of inventories of US$1.6 million.

In 2024, our net cash used in operating activities was US$46.5 million. The difference between our loss for the period of US$398.2 million and the net cash used in operating activities was mainly due to movements in working capital, including (i) a decrease in inventories of US$11.5 million, primarily because the raw materials in the inventory decreased, due to a reduced per-unit costs of our LiDAR solution and a better inventory management; and (ii) an increase in trade and other payables, other current liabilities and long term payables (considered in total primarily due to an installment payment schedule agreement we entered into for ASIC chip development, which resulted in the accounting treatment that categorized the remaining fees payable from trade and other payables to other current liabilities and long term payables) of US$17.9 million, primarily due to an increase in trade payable to our suppliers in line with our business growth. The amount was further offset by non-cash items, primarily including fair value changes of financial instruments at FVTPL of US$312.0 million.

In 2023, our net cash used in operating activities was US$133.1 million. The difference between our loss for the year of US$219.0 million and the net cash used in operating activities was mainly due to movements in working capital, including an increase in trade and other payables of US$4.4 million, primarily due to an increase in salary and bonus payables as a result of an increase in staff headcount and salary level; partially offset by an increase in inventories of US$12.4 million, in line with our business growth. The amount was further offset by non-cash items, primarily including fair value changes of financial liabilities at FVTPL of US$80.4 million.

In 2022, our net cash used in operating activities was US$108.2 million. The difference between our loss for the year of US$188.2 million and the net cash used in operating activities was mainly due to movements in working capital, including an increase in trade and other payables of US$92.9 million, primarily due to an increase in trade payables as we commenced volume production and delivery of our Falcon series LiDAR solutions in 2022; partially offset by an increase in trade and other receivables and prepayment of US$39.7 million, primarily due to the commencement of volume production and delivery of our Falcon series LiDAR solutions in 2022. The amount was further offset by non-cash items, primarily including fair value changes of financial liabilities at FVTPL of US$43.3 million.

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of May 31,	As of September 30,
	2022	2023	2024	2025	2025
	(US$ in thousands)				*(unaudited)*
CURRENT ASSETS					
Inventories	32,147	37,631	20,478	22,139	24,839
Trade and other receivables and prepayment	48,814	54,867	62,089	69,570	69,222
Receivables at fair value through other comprehensive income ("FVTOCI")	–	–	–	2,317	7,382
Financial asset at FVTPL	–	–	1,000	–	–
Restricted bank balances	130	130	130	130	130
Time deposits	–	16,000	–	–	–
Cash and cash equivalents	113,133	107,306	43,010	21,939	19,376
	194,224	**215,934**	**126,707**	**116,095**	**120,949**
CURRENT LIABILITIES					
Trade and other payables	103,024	103,456	77,020	77,060	86,731
Borrowings	22,469	41,009	29,573	30,458	39,108
Lease liabilities	2,163	3,235	2,696	2,930	2,806
Warranty liabilities	623	1,149	2,124	2,506	2,499
Other current liabilities	–	–	13,784	17,073	24,359
Contract liabilities	268	140	102	134	43
	128,547	**148,989**	**125,299**	**130,161**	**155,546**
NET CURRENT ASSETS/(LIABILITIES)	**65,677**	**66,945**	**1,408**	**(14,066)**	**(34,597)**

Our net current liabilities increased from US$14.1 million as of May 31, 2025 to US$34.6 million as of September 30, 2025, primarily due to an increase of trade and other payables of US$9.7 million, an increase in short-term borrowings of US$8.7 million, and an increase in other current liabilities of US$7.3 million, partially offset by an increase of receivables at fair value through other comprehensive income of US$5.1 million.

Our net current assets of US$1.4 million as of December 31, 2024 decreased to net current liabilities of US$14.1 million as of May 31, 2025, primarily due to (i) a significant decrease in cash and cash equivalents of US$21.1 million and (ii) an increase in other current liabilities of US$3.3 million, partially offset by an increase in trade and other receivables and prepayment of US$7.5 million, primarily due to our increased sales volume.

Our net current assets decreased from US$66.9 million as of December 31, 2023 to US$1.4 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents of US$64.3 million, reflecting net cash used in our operating activities of approximately US$46.5 million and net cash used in our financing activities of approximately US$10.0 million.

Our net current assets remained relatively stable at US$65.7 million as of December 31, 2022 and US$66.9 million as of December 31, 2023, respectively.

For details, see "Financial Information of the Target Group — Discussion of Selected Items from the Consolidated Balance Sheets — Current Assets and Current Liabilities."

KEY FINANCIAL RATIOS

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

	Year Ended/As of December 31,			Period Ended/ As of May 31,
	2022	2023	2024	2025
		(%)		
Revenue growth rate (%)	1,355.6	82.7	31.8	0.8
Gross margin (%)	(62.3)	(35.0)	(8.7)	12.9
Trade receivable turnover days (days)	111.3	105.4	71.6	97.3
Trade and bill payable turnover days (days)	161.1	203.7	161.4	211.2
Current ratio[(1)]	151.1	144.9	101.1	89.2
Quick ratio[(2)]	126.1	119.7	84.8	72.2

Notes:

(1) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the respective year/period.

(2) Quick ratio is calculated based on the total current assets less inventories divided by the total current liabilities as at the end of the respective year/period.

Our current ratio remained relatively stable at 151.1% as of December 31, 2022 and 144.9% as of December 31, 2023. Our current ratio decreased from 144.9% as of December 31, 2023 to 101.1% as of December 31, 2024, primarily due to a decrease in cash and cash equivalents. Our current ratio decreased from 101.1% as of December 31, 2024 to 89.2% as of May 31, 2025, primarily due to a decrease in cash and cash equivalents.

Our quick ratio decreased from 126.1% as of December 31, 2022 to 119.7% as of December 31, 2023, to 84.8% as of December 31, 2024 and further decreased to 72.2% as of May 31, 2025, primarily due to a decrease in cash and cash equivalents.

For details, see "Financial Information of the Target Group – Key Financial Ratios."

SUMMARY OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

The unaudited pro forma financial information presented below is prepared to illustrate (a) the consolidated financial position of the Successor Group as if the De-SPAC Transaction had been completed on May 31, 2025; (b) the consolidated results and cash flows of the Successor Group as if the De-SPAC Transaction had been completed on January 1, 2024; and (c) the consolidated net tangible assets of the Successor Group attributable to the owners of the Successor Company as if the De-SPAC Transaction had been completed on May 31, 2025.

The unaudited pro forma consolidated financial information of the Successor Group has been prepared for illustrative purposes only and is based on certain assumptions, estimates and currently available information. Because of its hypothetical nature, it may not give a true picture of the consolidated financial position of the Successor Group as of May 31, 2025 or the consolidated results and cash flows of the Successor Group for the year ended December 31, 2024, had the De-SPAC Transaction been completed as of the specified dates or any other dates.

The pro forma financial information is prepared based on the statement of financial position of TechStar as of June 30, 2025 as set out in the interim report of TechStar for the six months ended June 30, 2025, which was published on September 22, 2025, and the statement of profit or loss and other comprehensive income and the statement of cash flows of TechStar for the year ended December 31, 2024 as set out in the annual report of TechStar for the year ended December 31, 2024, which was published on April 1, 2025, and the consolidated statement of financial position of the Target Group as of May 31, 2025 and the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Group for the year ended December 31, 2024, extracted from the accountants' report of the Target Group as set out in Appendix I of this Circular after giving effect to the pro forma adjustments described in the accompanying notes which are directly attributable to the De-SPAC Transaction and factually supportable and were prepared in accordance with Rules 4.29 and 14.69(4)(a)(ii) of the Listing Rules.

The pro forma financial information is prepared assuming (i) the Capital Restructuring (as defined in this Circular and detailed in the paragraph headed "History, Development and Corporate Structure of the Target Group" of this Circular) is completed, (ii) no TechStar Class A Shareholders exercise their appraisal right, (iii) 55,130,000 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, (iv) there is no Permitted Equity Financing can be fulfilled, (v) the fair value change of TechStar Listed Warrants is immaterial during the periods presented, and (vi) no outstanding and vested equity settled share options of the Target Group would be exercised. In addition, the unaudited pro forma financial information presents two redemption scenarios as set out below.

- **Assuming no Redemptions (Scenario I):** This presentation assumes that no TechStar Class A Shareholders exercise their rights to redeem any of their shares of TechStar Class A Shares and thus the full amount held in the Escrow Account at Closing is available to the De-SPAC Transaction.

- **Assuming maximum Redemptions (Scenario II):** This presentation assumes that 100,100,000 shares of TechStar Class A Shares are redeemed, which represents the maximum amount of redemption. The Scenario II is prepared based on the same assumptions under Scenario I, with additional adjustments to reflect the effect of maximum redemptions.

For details, see "Appendix III — Unaudited Pro Forma Financial Information of the Successor Group" in this circular.

Summary of Unaudited Pro Forma Consolidated Statement of Financial Position of the Successor Group as of May 31, 2025

	As of May 31, 2025	
	(US$ in thousands)	
	Scenario I	**Scenario II**
Non-current assets	47,334	47,334
Current assets	**318,108**	**179,154**
Current liabilities	**131,163**	**131,163**
Net current assets	186,945	47,991
Total assets less current liabilities	234,279	95,325
Capital and reserves		
Share capital	1,360	1,250
Treasury shares	(1)	(1)
Share premium	1,070,549	1,061,784
Reserves	(887,981)	(1,018,060)
Equity attributable to owners of TechStar/the Target Company/the Successor Company	183,927	44,973
Total equity	183,927	44,973
Non-current liabilities	50,352	50,352

Summary of Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Successor Group for the Year Ended December 31, 2024

	For the year ended December 31, 2024	
	(US$ in thousands)	
	Scenario I	**Scenario II**
Revenue	159,575	159,575
Cost of sales	(173,481)	(173,481)
Gross loss	(13,906)	(13,906)
Other income	2,458	2,458
Other gains and losses	1,116	165
Selling and marketing expenses	(8,517)	(8,517)
Administrative expenses	(52,063)	(52,063)
Research and development expenses	(38,360)	(38,360)
Net impairment losses under expected credit loss ("ECL") model	(1,625)	(1,625)
Fair value changes of financial liabilities at fair value through profit or loss ("FVTPL")	–	–
Change in fair value of warrant liabilities	(4,251)	(4,251)
Professional fees and expenses related to De-SPAC Transaction	(58,160)	(40,861)
Other expenses	(424)	(424)
Finance costs	(2,657)	(2,657)
Loss before tax	(176,389)	(160,041)
Income tax expense	(741)	(741)
Loss for the period	(177,130)	(160,782)
Other comprehensive expense		
Item that may be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	(34)	(34)
Total comprehensive expense for the period	(177,164)	(160,816)

Summary of Unaudited Pro Forma Consolidated Statement of Cash Flows of the Successor Group for the Year Ended December 31, 2024

	For the year ended December 31, 2024	
	(US$ in thousands)	
	Scenario I	**Scenario II**
Net cash used in operating activities	(52,453)	(52,438)
Net cash from (used in) investing activities	127,871	(7,222)
Net cash from financing activities	58,770	57,070
Net increase in cash and cash equivalents	134,188	(2,590)
Cash and cash equivalents at January 1, 2024	107,665	107,665
Effect of foreign exchange rate changes	(653)	(653)
Cash and cash equivalents at December 31, 2024	241,200	104,422

DIVIDEND AND DIVIDEND POLICY

During the Track Record Period and up to the Latest Practicable Date, we did not pay any dividends, nor did we declare any dividends.

We have established a dividend policy, which does not stipulate a fixed dividend payout ratio. We may declare dividends in any currency through a general meeting, but no dividend may be declared in excess of the amount recommended by the Board. The declaration of dividends is subject to the discretion of the Board, and the amounts of dividends actually declared and paid will depend on a number of factors, including but not limited to our earnings, capital requirements, overall financial condition and contractual restrictions.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such fund reaches 50% of its registered capital, which are not available for distribution as cash dividends.

Subject to compliance with the relevant laws and regulations, we may consider to distribute dividends to our Shareholders. However, any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors may deem relevant. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the Target Company being unable to pay its debts as they fall due in the ordinary course of business. Investors should not purchase our shares with the expectation of receiving cash dividends.

For details, see "Financial Information of the Target Group — Dividend and Dividend Policy."

DE-SPAC TRANSACTION EXPENSES

De-SPAC Transaction expenses of the Target Group upon completion of the De-SPAC Transaction are estimated to be HK$77.3 million, including PIPE Investment placement commission and incentive, assuming PIPE Investment amount of HK$551.3 million, being 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares and that there is no Permitted Equity Financing. Up to December 31, 2024, total De-SPAC Transaction expenses of HK$20.3 million and HK$2.6 million were incurred by the Target Group and TechStar, respectively. The rest of the De-SPAC Transaction expenses after December 31, 2024 are to be borne by the Target Group, of which HK$28.0 million is expected to be charged to our consolidated income statement, and HK$26.4 million is expected to be accounted for as a deduction from equity upon the consummation of the De-SPAC Transaction. The De-SPAC Transaction expenses above are the latest practicable estimates for reference only, and the actual amount may differ from these estimates.

The following table sets forth a breakdown of the De-SPAC Transaction expenses paid or to be paid relating to the De-SPAC Transaction.

	(HK$ in million)
Legal and audit expenses	39.7
Other fees and expenses	12.8
PIPE commission	24.8
Total	**77.3**

Additional De-SPAC Transaction Expenses

The additional De-SPAC Transaction expenses incurred by the Successor Group is calculated for pro forma financial information purpose. Assuming the De-SPAC Transaction was completed on January 1, 2024, the additional expenses for the year ended December 31, 2024 are estimated to be US$52.1 million (under Scenario I) and US$34.8 million (under Scenario II), with details set out in notes 4 and 6 in "Appendix III — Unaudited Pro Forma Financial Information of the Successor Group — C. Notes to the Unaudited Pro Forma financial information of the Successor Group". The following sets forth the details of the two scenarios:

- **Assuming no Share Redemptions (Scenario I):** This presentation assumes that no TechStar Class A Shareholders exercise their rights to redeem any of their shares of TechStar Class A Shares and thus the full amount held in the Escrow Account at Closing is available to the De-SPAC Transaction.

- **Assuming maximum Share Redemptions (Scenario II):** This presentation assumes that 100,100,000 shares of TechStar Class A Shares are redeemed, which represents the maximum amount of redemption. The Scenario II is prepared based on the same assumptions under Scenario I, with additional adjustments to reflect the effect of maximum redemptions.

Such expenses represent (i) the deemed expenses incurred by the Target Company, which is the difference between the fair value of the shares issued by the Target Company in excess of the fair value of the adjusted net assets of TechStar, the calculation of which is set out in note 6 to the unaudited pro forma financial information of the Successor Group in "Appendix III — Unaudited Pro Forma Financial Information of the Successor Group"; (ii) the warrant liabilities; and (iii) the interest expense adjustment of TechStar, which are subject to changes based on valuation.

USE OF PROCEEDS

After deducting the De-SPAC Transaction expenses and assuming 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares and there is no Permitted Equity Financing, the net proceeds which the Successor Company will receive from the De-SPAC Transaction are estimated to be approximately HK$474.0 million. The percentages of net proceeds to be allocated to different uses will not vary with the redemption rate of TechStar Class A Shares.

- approximately 60%, or HK$284.4 million, will be used for research and development of new LiDAR architectures, hardware and software upgrades.

- approximately 20%, or HK$94.8 million, will be used for upgrade of existing production lines.

- approximately 10%, or HK$47.4 million, for our global expansion.

- approximately 10%, or HK$47.4 million, for general corporate purposes.

For details, see "Future Plans and Use of Proceeds."

LEGAL PROCEEDINGS

On October 29, 2025, we received notifications regarding a total of four patent infringement lawsuits filed against us by Hesai Group at the Ningbo Intermediate People's Court in Zhejiang Province, China. These include one invention patent and three utility model patents. The lawsuits target our Robin E1X solutions, requesting the court to order us to immediately cease infringing the involved patents and compensate for total infringement damages of RMB19.8 million. As of the Latest Practicable Date, the lawsuits have not yet entered the substantive hearing stage and we are actively preparing our defense.

As of the date of this circular, there is no material adverse effect resulted from the lawsuits towards our daily operation including research and development, manufacture and sales. We have not received any injunctions prohibiting the manufacture and sale of our Robin E1X or the use of our technologies.

We believe these claims are without merit, and our Litigation Counsels have advised that it is highly unlikely the claims will prevail. As of the Latest Practicable Date, the lawsuits have not yet entered the substantive hearing stage and we are actively preparing our defense. The Directors are of the view that the lawsuits will not have a material adverse effect on our business, financial condition or results of operation as a whole, on the basis that (i) as advised by our Litigation Counsels, based on their legal analysis of the currently available facts and evidence, the possibility for Hesai Group to prevail in the lawsuits is highly unlikely, because the allegations and claims from Hesai Group are substantially without merit; and (ii) in a worst scenario, the lawsuits will not have material adverse effect on the operation and financial condition of us.

See "Business of the Target Group — Legal and Compliance Matters" for further details.

RECENT DEVELOPMENTS

Since June 2025, we have (i) secured design-wins with two state-owned OEMs and a major joint venture OEM; (ii) deepened collaboration with our existing customers, including Shaanxi Heavy Duty Truck, NIO and Pony AI, expanding into logistics and urban sanitation services. With the expansion of our customer base, we have been able to reach positive gross margin for four consecutive quarters, from the fourth quarter of 2024 to the third quarter of 2025, which marked our transition from scale-focused to profit-driven growth.

For the nine months ended September 30, 2025, we delivered approximately 181,131 units of automotive-grade LiDARs, representing an increase of 7.7%, as compared to the delivery volume for the same period in 2024. Meanwhile, we expect to continue to record net losses and net operating cash outflows in the near future, subject to our operation demand. We expect to record net losses in 2025, primarily due to the continued investment in research and development to support our dual product lines of 1,550 nm and 905 nm LiDAR, as well as the early-stage nature of commercialization for our higher-margin products such as Falcon series, and the fair value changes of financial instruments at FVTPL. However, we achieved positive gross profit in the fourth quarter of 2024, and expect to maintain this trajectory full year 2025, with further improvement in the following years. In addition, we intend to adopt certain measures to maintain sustainability and continue to grow our business to achieve profitability. For details on underlying reasons for historical losses and our plan for achieve profitability in the future, see "Business of the Target Group — Business Sustainability."

In addition to the foregoing, we have also experienced certain recent unfavorable developments. These include (i) the introduction of camera-based EV models by NIO and the increasing proportion of such models in NIO's overall sales mix; (ii) the corresponding decline in sales volume of NIO's LiDAR-based EVs equipped with our Falcon series; (iii) the relatively low conversion rate of the purchase volume forecasts of 2025 from NIO and other existing OEM customers translating into actual purchase orders in the nine months ended September 30, 2025; and (iv) the substantial downward revision of the purchase volume forecasts of 2025 from certain design-win customers. As a result, the sales volume of the Falcon series decreased for the nine months ended September 30, 2025, as compared with the

same period in 2024. Moreover, a substantial majority of our existing design-wins, including several obtained over 24 months ago, have yet to translate into actual purchase orders, reflecting the longer-than-expected product validation and model release cycles among OEM customers. On the other hand, sales of our Robin series increased significantly during the same period, as the Robin W series entered into mass production in the second half of 2024. Going forward, while we continue to diversify our customer base and product portfolio to mitigate customer-specific risks, our near-term performance may continue to be affected by slower-than-expected customer conversion, revisions to demand forecasts, and evolving product adoption strategies of key OEM customers.

RECENT REGULATORY DEVELOPMENTS

Before February 2025 our exports from China to U.S. were subject to a 25% tariff rate. Between February and April 2025, the U.S. government announced several rounds of new tariffs on imports from China. The U.S. government may in the future further increase tariffs on goods from China. Since May 2025, the tariff rate increased to 55%. Given that the sales revenue generated by the U.S. represents an extremely low proportion of our total sales revenue (approximately 3% for the nine months ended September 30, 2025), the Directors and Sponsors are of the view that the impact of the tariff rate increase on us is very limited. On the other hand, China has instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. While the U.S. and China reached a joint agreement to ease tensions by canceling and suspending certain tariffs in May 2025, there can be no assurance as to whether the U.S. and China will maintain or reduce tariffs. The change of tariffs has impacted and will continue to impact our business, results of operations and financial performance. Given that our purchases of materials imported from the U.S. accounted for less than 5% of our total procurement costs for each year or period during the Track Record Period, the Directors and the Sponsors are of the view that the retaliatory tariffs (if any) imposed on Target Group's procurement of U.S. products have not had, and are not expected to have, any material adverse impact on the Target Group. Please see "Risk Factors — Risks Related to Doing Business in China" for further details. We have leased facilities in the U.S. for manufacturing some of our products to mitigate the impact of tariffs.

In recent years, the United States has expanded export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the United States Department of Commerce (the "**BIS**"). In addition to the restrictions introduced by the BIS rules, BIS maintains lists of persons that are subject to enhanced export control restrictions. In particular, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, governmental and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China and certain of our customers and suppliers, on the Entity List and other restricted or prohibited parties lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. For example, on September 29, 2025, the BIS issued an

immediately effective interim final rule that extended Entity List and Military End-User List restrictions to entities that are 50% or more owned, directly or indirectly, by shareholders on those lists. Please see "Business of the Target Group — Procurement of U.S. Chips."

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this circular, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since May 31, 2025, the end of the period reported on the Accountant's Report included in Appendix I to this circular, and there has been no event since May 31, 2025 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this circular.

EGM AND RECOMMENDATIONS

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, are subject to approval of the TechStar Shareholders at the EGM by ordinary resolutions.

The Merger is subject to approval by special resolution of two-thirds of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM and the adoption of the TechStar Private Company Memorandum and Articles by TechStar is subject to approval by special resolutions of three-fourths of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM. As the Merger forms part of the De-SPAC Transaction, in the event that the Merger or the adoption of the TechStar Private Company Memorandum and Articles by TechStar is not approved by the TechStar Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

A notice convening the EGM to be held at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, December 1, 2025 at 9:00 a.m., is set out on pages EGM-1 to EGM-4 of this circular.

The Promoters and their respective close associates and any TechStar Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM. The Promoters (who will be issued Successor Company Shares upon the TechStar Class B Conversion and Closing) and Wealth Strategy (which is a PIPE Investor and holder of certain TechStar Class A Shares) will be required to abstain and will procure their respective close associates to abstain from voting on resolution 1 as set out in the notice of the EGM with respect to the De-SPAC Transaction and the transactions contemplated thereunder.

Having taken into account the reasons for and benefits of the De-SPAC Transaction as set out in "Letter from TechStar Board – E. Reasons for, and Benefits of, the De-SPAC Transaction" above, the TechStar Directors consider that the terms of the De-SPAC Transaction and the transactions contemplated thereunder (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles are fair and reasonable and in the interests of the TechStar Shareholders as a whole.

Accordingly, the TechStar Directors recommend the TechStar Shareholders to vote "FOR" in favor of the resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles by TechStar EVEN IF you intend to elect to redeem some or all of your TechStar Class A Shares.

TechStar Directors who are Individual Promoters have certain interests which are different from, or in addition to, those of TechStar Class A Shareholders, the details of which are set out in "Risk Factors – The Promoters' economic interests or other conflicts of interest may incentivize them to complete the De-SPAC Transaction which may not be in the best interests of TechStar Shareholders." In considering the recommendation of the TechStar Board to vote in favor of the De-SPAC Transaction and other resolutions at the EGM, TechStar Class A Shareholders should consider these interests. See "Letter from TechStar Board" for further details.

CONSEQUENCE IF THE DE-SPAC TRANSACTION IS NOT APPROVED AND COMPLETED

If the De-SPAC Transaction is not approved by TechStar Class A Shareholder, Closing does not occur or the De-SPAC Transaction does not comply with the applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing, unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange), it is intended that (i) TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and (ii) the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained, however, TechStar will not have sufficient time to identify another De-SPAC target and negotiate a De-SPAC transaction before it is required to be delisted by the Stock Exchange as provided for in the Listing Rules. See "Letter from TechStar Board – S. Consequences If the De-SPAC Transaction Is Not Approved" in this circular for details.

In this circular, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms".

"2016 Share Incentive Plan"	the share incentive plan adopted on November 20, 2016, the principal terms of which are set out in "Statutory and General Information – E. Employee Incentive Plans" in Appendix VII to this circular
"Affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Amendment to the TechStar Listed Warrants"	the amendment to the TechStar Listed Warrants set out in "Letter from TechStar Board – H. Other Arrangements – 5. Amendment of the TechStar Listed Warrant Instrument"
"Appraisal Right"	the right of the Dissenting TechStar Shareholders to be paid the fair value of their Dissenting TechStar Shares under Section 238 of the Cayman Companies Act in connection with the De-SPAC Transaction
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Successor Board
"Award Agreements"	the award agreements entered into between, among others, each of the award grantees under the 2016 Share Incentive Plan on one hand and the Target Company on the other hand, pursuant to which the grantees were granted employee incentive options or awards, and Dr. Bao is entitled to exercise voting rights in his sole discretion with respect to Target Company Shares held by the ESOP Proxy Grantors until the Closing
"Beneficial Owner"	any beneficial owner of TechStar Class A Shares or TechStar Listed Warrants

"Board"	the board of Directors of TechStar, the Target Company or the Successor Company, as the context requires
"Bonus Shares"	the additional one tenth (0.1) of a newly issued Successor Company Share which the Relevant TechStar Class A Shareholders are entitled to receive for each TechStar Class A Share held by them immediately prior to the Effective Time
"Bonus Share Issue"	the issue of the Bonus Shares to the Relevant TechStar Class A Shareholders
"Business Combination Agreement"	collectively, the business combination agreement entered into on December 20, 2024 among TechStar, the Target Company and the Merger Sub and the supplemental agreements thereof dated September 25, 2025 and November 6, 2025, respectively
"Business Day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	the British Virgin Islands
"Capital Market Intermediaries" or "capital market intermediary(ies)"	the capital market intermediaries participating in the De-SPAC Transaction and has the meaning ascribed thereto under the Listing Rules
"Capital Restructuring"	the restructuring of Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue by the Target Company and Target Company Shareholders immediately prior to the Effective Time
"Capitalization Issue Factor"	the quotient obtained by dividing (i) HK$11.7 billion by (ii) HK$10.00 and further by (iii) the aggregate number of issued and outstanding Target Company Ordinary Shares immediately prior to the Capitalization Issue Effective Time, the Capitalization Issue Factor shall be equal to 19.12833, subject to any adjustment which may be made if any Target Company Shares are issued upon exercise of Target Company Options and/or vesting of Target Company RSUs under the 2016 Share Incentive Plan before the completion of the De-SPAC Transaction

"Cayman Companies Act" or "Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented from time to time
"Cayman Court"	the Grand Court of the Cayman Islands
"Cayman Registrar"	the Registrar of Companies in the Cayman Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CIC"	China Insights Industry Consultancy Limited, a global market research and consulting company, the industry consultant of the Target Company, which is an Independent Third Party
"CIC Report"	an independent market research report commissioned and prepared by CIC for the purpose of this circular
"Closing"	the completion of the De-SPAC Transaction
"Closing Date"	the day on which the Closing occurs
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Conditions"	the conditions to Closing set out in "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (f) Conditions to Closing"
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules, refers to the controlling shareholders of the Target Company as at the Latest Practicable Date, including Dr. Bao, High Altos Limited and Phthalo Blue LLC, details of which are set out in the section headed "Relationship with the Single Largest Group of Shareholders of the Successor Company"
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	The China Securities Regulatory Commission
"De-SPAC Transaction"	the transactions contemplated by the Business Combination Agreement, including, among others, the Capital Restructuring, the Merger and the PIPE Investments, resulting in the listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange subject to obtaining all the necessary approvals
"Director(s)"	the directors of TechStar, the Target Company or the Successor Company, as the context requires
"Dissenting TechStar Shareholders"	TechStar Shareholders who have validly exercised their Appraisal Right in accordance with the statutory procedures prescribed under the Cayman Companies Act
"Dissenting TechStar Shares"	the TechStar Shares that are issued and outstanding immediately prior to the Effective Time and that are held by the Dissenting TechStar Shareholders who have validly exercised their Appraisal Right for such TechStar Shares in accordance with the Cayman Companies Act and otherwise complied with all of the provisions of the Cayman Companies Act relevant to the exercise and perfection of the Appraisal Right

"Dr. Bao"	Dr. Bao Junwei (鮑君威), chairman of the Board, an executive Director, the president and the chief executive officer of the Successor Company, one of the Target Company's Controlling Shareholders as at the Latest Practicable Date, and one of the Successor Company's Single Largest Group of Shareholders upon completion of the De-SPAC Transaction
"Effective Time"	9:00 a.m. (Hong Kong time) on the Listing Date
"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of TechStar to be convened for the TechStar Shareholders to consider and, if appropriate, approve the De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing), the withdrawal of listing of the TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles by TechStar
"Escrow Account"	the ring-fenced escrow account located in Hong Kong with BOCI-Prudential Trustee Limited acting as trustee of such account pursuant to the Escrow Agreement
"Escrow Agreement"	the Deed of Trust dated November 18, 2022 between TechStar and BOCI-Prudential Trustee Limited, in its capacity as trustee of the Escrow Account

"ESOP Proxy Grantors"	the Target Company Shareholders who have currently granted Dr. Bao the voting rights in respect of all of the Target Company Shares held by them through Award Agreements and the Trust Deed, collectively including (i) the former employees, former consultant or employees of the Target Group who have exercised options granted and vested and were issued such number of Target Company Shares, or their relatives, namely, An Da, Chard Jeffery, Chen Jinsong, Cheung George, Ferns Jason, Green John, Hsiang Stephen, Huang Davy, Huang Min, Li Jim, Li Randy, Liao Zhigang, Loveridge Barry, Makwana Keyur, Mao Biyu, Medvedev Alexey, Shuyi Tang, Surabhi Vivek, Tran Christine, Wang Ning-Yi, Xie Jacky, Yin Wei, Zhang Rui and Zhou Gang, and (ii) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring relevant Target Company Shares in respect of the vested Target Company Options to the specified participants under the 2016 Share Incentive Plan
"extreme conditions"	any extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously effects the working public's ability to resume work or brings safety concern for a prolonged period
"Governmental Authority"	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, in its capacity as nominee for HKSCC (or any successor thereto) as operator of CCASS and any successor, replacement or assign of HKSCC Nominees Limited as nominee for the operator of CCASS

"Hong Kong", "Hong Kong SAR" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Share Registrar of the Successor Company"	Tricor Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRS"	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and Interpretation issued by the International Accounting Standards Committee
"Independent Third Party" or "Independent Third Parties"	any entity or person who is not a connected person within the meaning ascribed thereto under the Listing Rules
"Individual Promoters"	Mr. NI Zhengdong (倪正東), Mr. LI Zhu (李竹) and Mr. LAU Wai Kit (劉偉傑)
"Investor Shares"	the newly issued Successor Company Shares to be subscribed for by the PIPE Investor pursuant to the PIPE Investment Agreement and as part of the De-SPAC Transaction pursuant to the Business Combination Agreement or other related agreements
"Joint Sponsors"	Zero2IPO Capital Limited, CITIC Securities (Hong Kong) Limited and China Securities (International) Corporate Finance Company Limited
"Latest Practicable Date"	November 2, 2025, being the latest practicable date for ascertaining certain information in this circular before its publication

"Laws"	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees, or rulings of any Governmental Authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions
"Listing"	the listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange
"Listing Committee"	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
"Listing Date"	the date of listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Litigation Counsels"	Han Kun Law Offices and BZW Law Firm, the Target Company's legal advisors as to PRC laws with respect to ongoing litigation in relation to patent disputes
"Loan Facility"	the loan facility entered into between the Promoters and TechStar on December 15, 2022 pursuant to which the Promoters will make available to TechStar an aggregate amount of up to HK$10.0 million for working capital purposes
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange

"Merger"	the merger of Merger Sub with and into TechStar, subject to the terms and conditions of the Business Combination Agreement and the TechStar Plan of Merger and in accordance with the laws of the Cayman Islands, with TechStar being the surviving entity following the Merger and becoming (immediately following the Merger) a direct wholly-owned subsidiary of the Target Company
"Merger Effective Time"	the time at which the Merger takes effect under the Cayman Companies Act
"Merger Sub"	Seyond Merger Sub Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability on July 29, 2024, and a wholly-owned subsidiary of the Target Company
"MIIT"	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NIO"	NIO Inc., its subsidiaries and consolidated affiliated entities from time to time
"Nomination Committee"	the nomination committee of the Successor Board
"Organizational Documents"	with respect to a firm, corporation, company, partnership, limited liability company, incorporated or unincorporated association, trust, estate, joint venture, joint stock company, governmental authority or instrumentality or other entity of any kind, its certificate of incorporation or registration, bylaws, memorandum and articles of association, constitution, limited liability company agreement, or similar organizational documents, in each case, as amended or restated
"Overall Coordinators"	Zero2IPO Securities Limited, CLSA Limited and China Securities (International) Corporate Finance Company Limited
"Participant"	a person admitted for the time being by HKSCC as a participant of CCASS

"Permitted Equity Financing"	the subscription of Successor Company Shares on the Closing Date and concurrently with the Closing by one or more investors pursuant to one or more subscription agreements entered into during the period from the date of the Business Combination Agreement until the Effective Time by and among such investors, the Target Company and TechStar pursuant to the Business Combination Agreement
"Phthalo Blue LLC"	a limited liability company incorporated in Delaware, the United States, which is wholly held by a trust company under a family trust arrangement for the benefit of Dr. Bao's family members where Dr. Bao is a trustor of such family trust, as well as the manager of Phthalo Blue LLC
"PIPE Investment Agreements"	the subscription agreements entered into on December 20, 2024 among TechStar, the Target Company and the PIPE Investors
"PIPE Investment Amount"	the subscription amount to be paid by the PIPE Investors to the Successor Company for the subscription of the PIPE Investment Shares
"PIPE Investment Shares"	the Successor Company Shares to be subscribed by the PIPE Investors pursuant to the PIPE Investment Agreements
"PIPE Investments"	the subscription of the PIPE Investment Shares by the PIPE Investors pursuant to the PIPE Investment Agreements
"PIPE Investors"	the independent third-party investors participating in the De-SPAC Transaction
"Post-Listing Share Incentive Plan"	the share incentive plan adopted by the Target Company on December 20, 2024 which will take effect on the Listing Date, the principal terms of which are set out in "Statutory and General Information – E. Employee Incentive Plans" in Appendix VII to this circular
"PRC" or "China"	the People's Republic of China, but for the purposes of this circular only, except where the context requires, references in this circular to PRC or China exclude Hong Kong, Macau and Taiwan

"PRC Legal Adviser to the Target Company"	Fangda Partners
"Pre-Capitalization Target Company Ordinary Shares"	the ordinary shares of the Target Company immediately prior to the Capitalization Issue, par value US$0.001 per share
"Pre-Listing Investment(s)"	the investment(s) in the Target Company undertaken by the Pre-Listing Investors, the details of which are set out in the section headed "History, Development and Corporate Structure of the Target Group – Pre-Listing Investments"
"Pre-Listing Investor(s)"	holders of the Series Seed Preferred Shares, the Series A Preferred Shares, the Series A1 Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares as described in the section headed "History, Development and Corporate Structure of the Target Group – Pre-Listing Investments"
"Presumptions"	(i) the Capital Restructuring is completed, (ii) no TechStar Class A Shareholders exercise their Redemption Right, (iii) no TechStar Class A Shareholders exercise their Appraisal Right; (iv) 55,130,000 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, (v) there is no Permitted Equity Financing and (vi) no further Target Company Shares are issued under the 2016 Share Incentive Plan before the Listing
"Principal Share Registrar"	Walkers Corporate Limited
"Professional Investors"	has the meaning given to it in section 1 of Part 1 of Schedule 1 to the SFO
"Promoters"	has the meaning ascribed to "SPAC Promoter" under the Listing Rules and, unless the context requires otherwise, refers to CNCB (Hong Kong) Capital Limited, Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), Zero2IPO Capital Limited, Mr. NI Zhengdong, Mr. LI Zhu and Mr. LAU Wai Kit

"Promoters Lock-up Agreement"	the agreement entered into on December 20, 2024 among TechStar, the Target Company, the Promoters and other parties named therein in relation to the lock-up arrangement over the relevant Successor Company Shares held by the Promoters
"Proxy Shareholder(s)"	the Target Company Shareholders who have granted Dr. Bao the voting rights in respect of all of the Target Company Shares held by them through effective Voting Proxy Agreements, including various Pre-Listing Investors, namely, Rong Shengwen (date of Voting Proxy Agreement: June 16, 2017), The Niu 2001 Revocable Trust (date of Voting Proxy Agreement: June 16, 2017) , Jinsong Xiao and Xingrong Zhang (date of Voting Proxy Agreement: February 4, 2018), Yang Zheng (dates of Voting Proxy Agreements: December 27, 2019 and September 29, 2017) and Zhang Wen Qi (dates of Voting Proxy Agreements: December 27, 2019 and February 5, 2018)
"Redeeming TechStar Shareholders"	TechStar Shareholders who have validly exercised their Redemption Right
"Redeeming TechStar Shares"	the TechStar Class A Shares in respect of which the relevant TechStar Shareholder has validly exercised its Redemption Right
"Redemption Price"	the per-share price at which TechStar will redeem the Redeeming TechStar Shares
"Redemption Right"	the redemption rights of TechStar Class A Shareholders in relation to the De-SPAC Transaction
"Registered Shareholder"	any person (including without limitation a nominee, trustee, depositary or any other authorized custodian or third party) whose name is entered in the register of members of TechStar as a holder of TechStar Shares
"Regulation S"	Regulation S under the U.S. Securities Act

"Relevant TechStar Class A Shareholders"	TechStar Class A Shareholders (excluding the holders of TechStar Class A Shares issued in connection with the TechStar Class B Conversion, the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders)
"Remuneration Committee"	the remuneration committee of the Successor Board
"Revenue Code"	the Internal Revenue Code of 1986, as amended
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Securities and Futures Ordinance" or "SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Series A Preferred Share(s)"	the redeemable and convertible series A preferred shares of the Target Company with par value US$0.001 per share which were issued by the Target Company as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"Series A1 Preferred Share(s)"	the redeemable and convertible series A1 preferred shares of the Target Company with par value US$0.001 per share which were issued by the Target Company as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"

"Series B Preferred Share(s)"	the redeemable and convertible series B preferred shares of the Target Company with par value US$0.001 per share which were issued to certain Pre-Listing Investors as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"Series B+ Preferred Share(s)"	the redeemable and convertible series B+ preferred shares of the Target Company with par value US$0.001 per share which were issued to certain Pre-Listing Investors as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"Series C Preferred Share(s)"	the redeemable and convertible series C preferred shares of the Target Company with par value US$0.001 per share which were issued to certain Pre-Listing Investors as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"Series D Preferred Share(s)"	the redeemable and convertible series D preferred shares of the Target Company with par value US$0.001 per share which were issued to certain Pre-Listing Investors as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"Series Seed Preferred Share(s)"	the redeemable and convertible series seed preferred shares of the Target Company with par value US$0.001 per share which were issued by the Target Company as described in the section headed "History, Development and Corporate Structure of the Target Group – Major Shareholding Changes of the Target Company"
"SFC"	the Securities and Futures Commission of Hong Kong
"Share Redemption"	the redemption of all or part of TechStar Class A Shareholders' holdings of TechStar Class A Shares according to their election for the Redemption Price to be paid out of the monies held in the Escrow Account

"Share Redemption Election Form"	the form of election to be completed by Redeeming TechStar Shareholders in order to elect to exercise the Share Redemption Right, which is dispatched to TechStar Class A Shareholders together with this circular and form of proxy for the EGM
"Share Redemption Election Period"	the election period for the Share Redemption which will start on the date of the notice of the EGM and end on the date and time of commencement of the EGM
"Single Largest Group of Shareholders"	refers to the single largest group of shareholders of the Successor Company immediately following the completion of the De-SPAC Transaction, including Dr. Bao, High Altos Limited and Phthalo Blue LLC, details of which are set out in the section headed "Relationship with the Single Largest Group of Shareholders of the Successor Company"
"Sponsor-Overall Coordinator"	China Securities (International) Corporate Finance Company Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Successor Board" or "Successor Board of Directors"	the board of directors of the Successor Company
"Successor Company"	the Target Company upon Closing, of which the shares will be listed on the Main Board of the Stock Exchange
"Successor Company Articles"	the amended and restated articles of association of the Successor Company (as amended from time to time), conditionally adopted by the Target Company on December 20, 2024 and which will become effective immediately upon completion of the De-SPAC Transaction, a summary of which is set out in the section headed "Appendix V – Summary of the Constitution of the Successor Company and Cayman Islands Company Law"

"Successor Company Listed Warrant Instrument"	the Successor Company Listed Warrant instrument dated November 11, 2025 governing the terms of the warrants
"Successor Company Listed Warrants"	subscription warrants issued by the Successor Company in consideration of the cancellation of the TechStar Listed Warrants as detailed under the section headed "Letter from TechStar Board – F. The Business Combination Agreement" and pursuant to the Successor Company Listed Warrant Instrument
"Successor Company Memorandum"	the memorandum of association of the Successor Company (as amended from time to time), conditionally adopted by the Target Company on December 20, 2024 and which will become effective immediately upon completion of the De-SPAC Transaction, a summary of which is set out in the section headed "Appendix V – Summary of the Constitution of the Successor Company and Cayman Islands Company Law"
"Successor Company Memorandum and Articles"	the Successor Company Memorandum and the Successor Company Articles
"Successor Company Promoter Warrant"	subscription warrants issued by the Successor Company in consideration of the cancellation of the TechStar Promoter Warrants as detailed under the section headed "Letter from TechStar Board – F. The Business Combination Agreement" and pursuant to the Successor Company Promoter Warrant Agreement
"Successor Company Promoter Warrant Agreement"	the Successor Company Promoter Warrant agreement dated November 11, 2025 executed by the Target Company, the Promoters and certain other parties
"Successor Company Shareholder(s)"	holder(s) of Successor Company Shares
"Successor Company Shares" or "Successor Company Ordinary Shares"	ordinary shares in the share capital of the Successor Company with a par value of US$0.001 each
"Successor Company Warrantholder(s)"	holder(s) of Successor Company Warrants

"Successor Company Warrants"	Successor Company Listed Warrants and Successor Company Promoter Warrants (as applicable)
"Successor Group"	the Successor Company and its subsidiaries as of Closing, including their respective predecessors
"Takeovers Code"	the Codes on Takeovers and Mergers
"Target Company" or "Target"	Seyond Holdings Ltd. (formerly known as Innovusion Holdings Ltd.), an exempted company with limited liability incorporated in the Cayman Islands on November 4, 2016
"Target Company Articles"	the amended and restated articles of association of the Target Company, as may be amended and/or restated from time to time after the date hereof and in effect immediately prior to the Capital Restructuring
"Target Company Memorandum"	the amended and restated memorandum of association of the Target Company, as may be amended and/or restated from time to time after the date hereof and in effect immediately prior to the Capital Restructuring
"Target Company Memorandum and Articles"	the Target Company Memorandum and the Target Company Articles
"Target Company Options"	all share options to acquire Target Company Shares granted under the 2016 Share Incentive Plan, whether or not exercisable and whether or not issued immediately prior to the Effective Time
"Target Company Ordinary Shares"	the ordinary shares of the Target Company, with par value US$0.001 per share, and with the rights, preferences and privileges set out in the Target Company Articles
"Target Company Preferred Shares"	collectively, the Series Seed Preferred Shares, Series A Preferred Shares, Series A1 Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares and Series D Preferred Shares in the share capital of the Target Company, each with a par value of US$0.001 and the respective rights, preferences and privileges set out in the Target Company Articles

"Target Company RSUs"	all restricted share units to acquire Target Company Shares granted under the 2016 Share Incentive Plan, whether or not vested and whether or not issued immediately prior to the Effective Time
"Target Company Shareholder"	a holder of any Target Company Ordinary Shares and Target Company Preferred Shares
"Target Company Shareholder Lock-up Agreement"	the agreement entered into among TechStar, the Target Company and the Controlling Shareholders (including Bao Junwei, High Altos Limited and Phthalo Blue LLC) on December 20, 2024 in relation to the lock-up arrangement over the relevant Successor Company Shares
"Target Company Shares"	Target Company Ordinary Shares and Target Company Preferred Shares
"Target Company Shares Conversion"	the conversion of Target Company Preferred Shares then issued and outstanding into a number of validly issued and fully paid Target Company Ordinary Shares pursuant to the conversion notice or Target Company Articles
"Target Group"	the Target Company and its direct and indirect subsidiaries, which will form part of the Successor Group
"TechStar"	TechStar Acquisition Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability on April 11, 2022 whose TechStar Class A Shares and TechStar Listed Warrants are listed on the Stock Exchange
"TechStar Articles"	the amended and restated memorandum and articles of association of TechStar conditionally adopted on December 8, 2022 and which became effective on December 23, 2022, as in effect on the date of the Business Combination Agreement
"TechStar Board"	the board of directors of TechStar
"TechStar Class A Shareholder(s)"	holder(s) of TechStar Class A Shares

"TechStar Class A Shares"	class A ordinary shares in the share capital of TechStar with a par value of HK$0.0001 each, which will be canceled and exchanged for Successor Company Shares pursuant to the Merger. As at the date of this circular, there are 100,100,000 TechStar Class A Shares issued and outstanding
"TechStar Class B Shareholder(s)"	holder(s) of TechStar Class B Shares
"TechStar Class B Shares"	class B ordinary shares in the share capital of TechStar with a par value HK$0.0001 each, which will be canceled and exchanged for Successor Company Shares pursuant to the Merger. As at the date of this circular, there are 25,000,000 TechStar Class B Shares issued and outstanding
"TechStar Listed Warrant Instrument"	the instrument constituting the TechStar Listed Warrants by way of deed poll executed by TechStar on December 23, 2022
"TechStar Listed Warrantholders"	holders of TechStar Listed Warrants
"TechStar Listed Warrants"	subscription warrants issued pursuant to the TechStar Listed Warrant Instrument and entitling the holder to purchase one TechStar Class A Share per subscription warrant at the warrant exercise price of HK$11.50 exercisable on a cashless basis. As at the date of this circular, there are 50,050,000 TechStar Listed Warrants issued and outstanding
"TechStar Plan of Merger"	the agreed plan of merger to be filed in accordance with the Business Combination Agreement and pursuant to Part XVI of the Cayman Companies Act with the Cayman Registrar
"TechStar Private Company Memorandum and Articles"	the amended and restated memorandum of association and articles of association of TechStar to be adopted by TechStar and become effective at the Merger Effective Time subject to approval of the TechStar Shareholders at the EGM by special resolution
"TechStar Promoter Warrant Agreement"	the agreement relating to the TechStar Promoter Warrants dated as of December 15, 2022 by and among TechStar, the Promoters and other persons named therein

"TechStar Promoter Warrants"	subscription warrants issued to the Promoters pursuant to the TechStar Promoter Warrant Agreement at the issue price of HK$1.00 per subscription warrant and entitling the holder to purchase one TechStar Class A Share per subscription warrant at the warrant exercise price of HK$11.50 exercisable on a cashless basis. As at the date of this circular, there are 40,000,000 TechStar Promoter Warrants issued and outstanding
"TechStar Shareholder(s)"	holder(s) of TechStar Shares
"TechStar Shareholder Redemption Amount"	the aggregate amount payable with respect to all TechStar Class A Shares in respect of which the eligible (as determined in accordance with the TechStar Articles) holder thereof has validly exercised (and not validly revoked, withdrawn or lost) his, her or its TechStar Shareholder redemption right
"TechStar Shares"	TechStar Class A Shares and TechStar Class B Shares
"TechStar Warrantholders"	holders of TechStar Warrants
"TechStar Warrants"	TechStar Listed Warrants and TechStar Promoter Warrants (as applicable)
"TechStar's Hong Kong Share Registrar"	Tricor Investor Services Limited
"Track Record Period"	the three financial years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025
"Transaction Price"	HK$10.0 per share, being the subscription price for the PIPE Investment Shares and the subscription price for the TechStar Class A Shares in TechStar's initial offering
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"Trust Deed"	the trust deed entered into between Kastle Limited (the trustee of the 2016 Share Incentive Plan) on one hand and the Target Company on the other hand, pursuant to which the employee incentive trust was established for the purpose of the 2016 Share Incentive Plan, and Dr. Bao is entitled to exercise in his sole discretion the voting rights with respect to Target Company Shares held by Enlightning Limited until the Closing

"Trustee"	BOCI-Prudential Trustee Limited acting as the independent trustee of the Escrow Account
"United States", "U.S." or "US"	United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"VAT"	value-added tax
"Voting Proxy Agreement(s)"	the voting proxy agreements entered into between, among others, each of the Proxy Shareholders on one hand and Dr. Bao on the other hand, details of which are set out in "Relationship with the Single Largest Group of Shareholders of the Successor Company"
"%"	per cent.

In this circular, unless the context otherwise requires, explanations and definitions of certain terms used in this circular in connection with the Target Group and its business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"3D point cloud"	a structured collection of 3D coordinate points (X, Y, Z) representing objects or scenes in three-dimensional space, often augmented with attributes like color, intensity, and timestamp. It serves as a high-precision digital mapping of physical environments and forms the foundation for applications such as digital twins, autonomous driving, and industrial inspection
"ADAS"	Advanced Driver Assistance System, ADAS is designed to assist drivers in the operation and safety of vehicles, by utilizing various sensors, cameras, and software algorithms to provide additional functionalities and enhance the driving experience
"ADC"	Analog-to-digital converter, ADC is a chip that converts continuous analog signals into discrete digital signals. Its core function is to serve as an interface between analog signals and digital systems, enabling digital devices such as the main chip to process analog signals
"ADS"	Automated Driving System, ADS is a hardware and software solution that continuously performs the entire dynamic driving task (DDT) within a defined operational design domain (ODD), adhering to SAE J3016 Levels 3-5 standards for autonomous vehicle operation
"automotive-grade"	standards that a component or product must satisfy to be incorporated into vehicles, which typically requires consistent and reliable level of high performance under varying temperatures, humidity, among other driving conditions, as well as near-zero failure rate and long lifecycles and also require product suppliers to achieve volume production
"automotive-grade LiDAR solutions"	LiDAR solutions that meet automotive-grade quality standards and are specifically designed to be incorporated into vehicles

"BEV"	Battery electric vehicle, BEV refers to vehicles that run exclusively on battery power
"design win"	the process of selection by the manufacturer of an assembly of a non-fungible, non-interchangeable component of the assembly
"detection range"	the maximum distance in which a LiDAR can detect a 2 meters × 2.5 meters object of certain reflectivity at POD of over 50%, according to the Test Methods of Automotive LiDAR drafted by China Association of Automobile Manufacturers
"FOV"	Field of View, the angular size of the scene captured by a sensor, as measured in vertical and horizontal angular extent
"FPGA"	Field-Programmable Gate Array, FPGA is a programmable semiconductor device that allows users to flexibly configure its internal logic structure based on their needs, enabling customized digital circuit functionality. Its core feature is hardware reconfigurability, offering the flexibility of a general-purpose processor while executing specific tasks with the efficiency of an application-specific integrated circuit (ASIC)
"Image-Grade"	A quality standard for imaging systems requiring high resolution (≥12MP), low noise (SNR >40dB), and wide dynamic range (WDR), typically applied in medical diagnostics, autonomous vehicles, and consumer electronics
"LiDAR"	Light Detection and Ranging, a type of sensing technology that uses pulsed laser beams to measure an object's variable distances from the targeted surface in real time
"L2+"	level of driving automation, Level 2+ refers to partial automation that provides combined driver assistance function which exceeds functions of Level 2 solutions and are very close to functions of Level 3 solutions
"mass production"	shipment and delivery of non-prototype products

"NT 2.0"	NIO Technology 2.0, the second generation of NIO's proprietary vehicle platform architecture, which integrates hardware, software, communications, vehicle-electrical systems, and powertrains into a unified and highly scalable system
"NT 3.0"	NIO Technology 3.0, the third generation of NIO's proprietary vehicle platform architecture, upgraded from NT 2.0
"OEMs"	Original Equipment Manufacturers, companies that produce parts and components specifically for use in new vehicles
"POD"	Probability of Detection, as measured by the actual number of echoes received divided by the number of echoes receivable theoretically
"resolution" or "resolution of LiDAR"	the minimum interval between scanning beams and is usually indicated by the angular resolution
"RFPs"	Requests for Proposals, formal solicitation documents issued by automakers, mobility service providers, or government entities to invite vendors to submit technical and commercial proposals for autonomous driving systems, covering hardware (e.g., LiDAR), software (e.g., perception algorithms), or integrated turnkey solutions
"ROI"	Region of Interest, which refers to an area within the LiDAR field of view that is of particular concern or requires higher detection accuracy. The point cloud density in this area is higher than that of the general field of view
"Semisolid State Scanning"	a hybrid scanning technology combining mechanical and solid-state components (e.g., MEMS mirrors or rotating prisms) to achieve laser beam steering, balancing precision and cost efficiency in applications such as LiDAR and industrial inspection

"TI Chips"	Texas Instruments Chips, integrated circuits designed and manufactured by Texas Instruments (TI), including analog chips (e.g., power management ICs), embedded processors (e.g., DSPs), and sensors, widely used in automotive, industrial, and IoT applications
"V2X"	vehicle-to-everything, a technology enabling vehicles to interact with external traffic environment, including vehicles, infrastructure, pedestrians, and the internet
"VCSEL"	Vertical-Cavity Surface-Emitting Laser, a type of semiconductor-based laser diode that emits light perpendicular from its top surface
"Volume production"	the large-scale manufacturing of over 10,000 standardized products through optimized processes to achieve cost efficiency and consistent quality, typically defined by metrics, often validated by industry certifications

The Successor Company has included in this circular forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

Certain statements in this circular are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "aim," "aspire," "objective," "target," "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this circular), uncertainties and other factors, some of which are beyond the Successor Group's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

The forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available about the businesses that the Successor Group operates. The risks, uncertainties and other factors, many of which are beyond its control, that could influence actual results include, but are not limited to:

- the Successor Group's business and growth strategies and our ability to implement such strategies;
- the Successor Group's ability to develop and manage our expanding operations;
- the Successor Group's ability to control operating costs and expenses;
- competition for, among other things, consumer spending, merchants, capital, technology and skilled personnel;
- our ability to maintain and enhance the Successor Group's brands;
- changes to regulatory and operating conditions in the industries in which the Successor Group operates; and
- all other risks and uncertainties described in the section headed "Risk Factors."

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, the Successor Company strongly cautions investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, the Successor Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to the intentions of TechStar or those of any of the Directors of TechStar are made as of the date of this circular. Any such intentions may change in light of future developments. All forward-looking statements in this circular are expressly qualified by reference to this cautionary statement.

In preparation for the Listing, the Target Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

The Successor Company does not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. The Successor Group's management, headquarters, assets and business operations are primarily based, managed and conducted in the PRC and the United States. Currently, none of the executive Directors of the Successor Company ordinarily resides in Hong Kong. The senior management of the Successor Group are also primarily based in the PRC and the United States and they manage the Successor Group's business operations from the PRC and the United States. As the executive Directors and the senior management team of the Successor Company play important roles in the Successor Company's business operations, the Directors of the Successor Company consider that it is in the best interests of the Successor Company for the executive Directors and the senior management team to be based in places where the Successor Group has significant operations. As such, the Successor Company does not, and will not for the foreseeable future, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, the Successor Company applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. The Successor Company will ensure that there is an effective channel of communication between the Successor Company and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, the Successor Company has appointed and will continue to maintain two authorized representatives, namely Dr. Bao and Mr. Lee Leong Yin, to be the principal communication channel at all times between the Stock Exchange and the Successor Company. Each of the authorized representatives of the Successor Company will be readily contactable by the Stock Exchange based on information provided to the Stock Exchange for the contact details of authorized representatives and will be available to meet with the Stock Exchange within a reasonable period of time upon request of the Stock Exchange. Both of the authorized representatives of the Successor Company are authorized to communicate on the Successor Company's behalf with the Stock Exchange and shall be authorized to accept service of process and notices on behalf of the Successor Company in Hong Kong under the Companies Ordinance;

(b) the Successor Company has implemented a policy to provide the contact details of each Director of the Successor Company (such as mobile phone numbers, office phone numbers and email addresses) to each of the authorized representatives and to the Stock Exchange. This will ensure that each of the authorized representatives, the joint company secretaries of the Successor Company and the Stock Exchange will have the means to contact all the Directors of the Successor Company (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors of the Successor Company when they are traveling. In the event that a Director expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the authorized representatives or maintain an open line of communication via his/her mobile phone;

(c) the Successor Company will ensure that each Directors of the Successor Company who are not ordinarily resident in Hong Kong either possess, or can apply for, valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required;

(d) the Successor Company has appointed Rainbow Capital (HK) Limited as its compliance adviser (the "**Compliance Adviser**") upon completion of the De-SPAC Transaction, in compliance with Rule 3A.19 of the Listing Rules. The Compliance Adviser will serve as an additional channel of communication with the Stock Exchange in addition to the authorized representatives of the Successor Company. The Compliance Adviser will provide the Successor Company with professional advice on ongoing compliance with the Listing Rules. The Successor Company will ensure that the Compliance Adviser has prompt access to the Successor Company's authorized representatives and Directors of the Successor Company who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties. The Compliance Adviser will also provide advice in compliance with Rule 3A.23 of the Listing Rules;

(e) the Successor Company will appoint other professional advisers (including legal advisers in Hong Kong) after completion of the De-SPAC Transaction to assist the Successor Company in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange;

(f) the Successor Company has designated its staff members as the communication officers at its headquarters after completion of the De-SPAC Transaction who will be responsible for maintaining day-to-day communication with Mr. Lee Leong Yin and the Successor Company's professional advisers in Hong Kong, including its legal advisors in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to the executive Directors of the Successor Company to further facilitate communication between the Stock Exchange and the Successor Company; and

(g) meetings between the Stock Exchange and the Directors of the Successor Company could be arranged through the authorized representatives or the Compliance Adviser, or directly with the Directors of the Successor Company within a reasonable time frame. The Successor Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors of the Successor Company and/or the Compliance Adviser in accordance with the Listing Rules.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rules 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other listed companies and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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

(d) professional qualifications in other jurisdictions.

The Successor Company has appointed Mr. Yao Yuan (姚遠) ("**Mr. Yao**") as one of its joint company secretaries. Mr. Yao has extensive experience in finance, board and corporate governance matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules. While Mr. Yao may not be able to solely fulfill the requirements of the Listing Rules, the Successor Company believes that it would be in the best interests of the Successor Company and the corporate governance of the Successor Company to appoint

Mr. Yao as its joint company secretary in light of his familiarity with finance and compliance matters as acquired through his previous work experience and his understanding of the internal administration and business operations of the Successor Group. The Successor Company has also appointed Mr. Lee Leong Yin (李亮賢) ("**Mr. Lee**") to act as the other joint company secretary. Mr. Lee is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Yao for an initial period of three years from the Listing to enable Mr. Yao to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Mr. Yao does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, the Successor Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yao may be appointed as a joint company secretary of the Successor Company. Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be for a fixed period of time ("**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules ("**Qualified Person**") and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked with immediate effect if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the Listing, and is granted on the condition that Mr. Lee, as a joint company secretary of the Successor Company, will work closely with, and provide assistance to, Mr. Yao in the discharge of his duties as a joint company secretary and in gaining the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. Given Mr. Lee's professional qualifications and experience, he will be able to explain to both Mr. Yao and the Successor Company the relevant requirements under the Listing Rules. Mr. Lee will also assist Mr. Yao in organizing Board meetings and Shareholders' meetings of the Successor Company as well as other matters of the Successor Company which are incidental to the duties of a company secretary. He is expected to work closely with Mr. Yao, and will maintain regular contact with Mr. Yao, the Directors and the senior management of the Successor Company. The waiver will be revoked immediately if Mr. Lee ceases to provide assistance to Mr. Yao as a joint company secretary for the three-year period after the Listing or where there are material breaches of the Listing Rules by the Successor Company. In addition, Mr. Yao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing.

In the course of preparation of the Listing, Mr. Yao attended a training seminar on the respective obligations of the Directors and senior management of the Successor Company under the relevant Hong Kong laws and the Listing Rules provided by the Successor

Company's Hong Kong legal adviser and has been provided with the relevant training materials. The Successor Company will further ensure that Mr. Yao has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, both Mr. Yao and Mr. Lee will seek and have access to advice from the Successor Company's Hong Kong legal and other professional advisers as and when required. The Successor Company has appointed Rainbow Capital (HK) Limited as the Compliance Adviser upon the Listing pursuant to Rule 3A.19 of the Listing Rules, which will act as the Successor Company's additional channel of communication with the Stock Exchange, and provide professional guidance and advice to the Successor Company and its joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

Before the expiration of the three-year period, the qualifications and experience of Mr. Yao will be further evaluated by the Successor Company to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance of Mr. Lee will continue. The Successor Company will liaise with the Stock Exchange to enable it to assess whether Mr. Yao, having benefited from the assistance of Mr. Lee for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

Please refer to the section headed "Directors and Senior Management of the Successor Company" for further information regarding the qualifications of Mr. Yao and Mr. Lee.

WAIVER IN RELATION TO THE 2016 SHARE INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, inter alia, disclose in the listing document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options or awards.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, inter alia, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Target Company Options

As of the Latest Practicable Date, Target Company Options granted to 483 grantees with respect to 6,283,752 underlying Target Company Shares (as adjusted to 120,197,682 Successor Company Shares upon completion of Capitalization Issue) granted under the 2016 Share Incentive Plan remain outstanding, representing approximately 8.84% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions).

The grantees include (i) four senior management members of the Successor Company, including Mr. Yang Zheng who is the chief information officer and vice president of software engineering of the Successor Company, Mr. Chen Larry Dong who is the President of the China Region of the Successor Company, and Dr. Bao and Dr. Li Yimin who are also Directors of the Successor Company, (ii) one consultant, namely Mr. Philip Lassner, our consultant head of business development of global Intelligent Transport Systems, and (iii) two other current employees, each of whom were granted Target Company Options to subscribe for 2,800,000 Successor Company Shares (taking into account the Capitalization Issue) or more, namely Mr. Zhigang Liao, our global business and finance controller, and Mr. Peng Wan, our director of system and application engineering. Collectively, they have been granted Target Company Options with respect to 3,882,671 underlying Target Company Shares (as adjusted to 74,269,012 Successor Company Shares upon completion of Capitalization Issue), representing approximately 5.46% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions). There were no Target Company Options granted to connected persons who are not Directors of the Successor Company, and no Target Company Options were granted to other Directors, senior management members or connected persons of the Successor Company.

Target Company RSUs

As at the Latest Practicable Date, Target Company RSUs to subscribe for 313,082 Target Company Shares (as adjusted to 5,988,736 Successor Company Shares upon completion of Capitalization Issue), has been granted to 24 grantees under the 2016 Share Incentive Plan, representing approximately 0.4403% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions). The grantees include one senior management member of the Successor Company, Mr. Yao Yuan, who is the chief financial officer of the Successor Company. Mr. Yao has been granted Target Company RSUs with respect to 48,256 underlying Target Company Shares (as adjusted to 923,057 Successor Company Shares upon completion of Capitalization Issue), representing approximately 0.0679% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions).

No Target Company Options or Target Company RSUs under the 2016 Share Incentive Plan will be further granted upon completion of the De-SPAC Transaction. For more details of the 2016 Share Incentive Plan, see the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" to the Circular.

The Successor Company has applied to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, on the grounds that strict compliance with the above requirements would be unduly burdensome for the Successor Company and the waiver would not prejudice the interest of the investing public for the following reasons:

(a) since the outstanding Target Company Options and Target Company RSUs under the 2016 Share Incentive Plan were granted to a total of 507 grantees involved, strict compliance with the relevant disclosure requirements to disclose names, addresses, and entitlements on an individual basis in the circular will require substantial number of pages of additional disclosure that does not provide any material information to the investing public and would be costly and unduly burdensome for the Successor Company in light of increase in cost and timing for information compilation and circular preparation;

(b) key information of the Target Company Options and Target Company RSUs granted under the 2016 Share Incentive Plan to the Directors, senior management members, the consultant and the two other current employees who were each granted Target Company Options to subscribe for 2,800,000 Successor Company Shares (taking into account the Capitalization Issue) or more has already been disclosed under the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" including (i) a summary of the 2016 Share Incentive Plan; (ii) the aggregate number of Successor Company Shares subject to the outstanding Target Company Options and Target Company RSUs granted by the Target Company under the 2016 Share Incentive Plan and the percentage of the Successor Company's issued share capital of which such number represents; (iii) the dilution effect and impact on earnings per Successor Company Share upon full exercise of the outstanding Target Company Options and Target Company RSUs granted under the 2016 Share Incentive Plan; and (iv) the details of the Target Company Options granted under the 2016 Share Incentive Plan, including exercise prices, grant dates, vesting periods and the percentage of the Successor Company's total issued share capital represented upon completion of the De-SPAC Transaction;

(c) the key information of the 2016 Share Incentive Plan as disclosed under the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" is sufficient to provide potential investors with information to make an informed assessment of the potential dilution effect and impact on earnings per share of the Target Company Options granted under the 2016 Share Incentive Plan in their investment decision making process;

(d) the lack of full compliance with such disclosure requirements will not prevent potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Successor Group and will not prejudice the interest of the investing public; and

(e) with respect to the grantees not disclosed on an individual basis, such number of Successor Company Shares, representing only approximately 3.75% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions), is not material in the circumstances of the Target Company, and the grant and exercise in full of such Target Company Options will not cause any material adverse impact to the financial position of the Target Company.

The Stock Exchange has granted the Successor Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules on the conditions that:

(A) the following information will be clearly disclosed in this circular in accordance with Chapter 3.6 of the Guide for New Listing Applicants:

(i) on individual basis, full details of all the Target Company Options and Target Company RSUs granted by the Successor Company under the 2016 Share Incentive Plan to each of the Directors, senior management members, core connected persons, the consultant and other current employees who were each granted Target Company Options to subscribe for 2,800,000 Successor Company Shares (taking into account the Capitalization Issue) or more, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules;

(ii) in respect of the Target Company RSUs granted by the Successor Company to the grantees other than those referred to in sub-paragraph (i) above:

a. the aggregate number of such grantees and the number of Successor Company Shares subject to such Target Company RSUs; and

b. the consideration paid for, the date of the grant, and the vesting period of the Target Company RSUs;

(iii) in respect of the Target Company Options granted by the Successor Company to the grantees other than those referred to in subparagraph (i) above, the following details be disclosed in this circular, on an aggregate basis, categorized into lots based on the number of Successor Company Shares underlying each individual grantee, being (a) 1 to 99,999 Successor Company Shares, (b) 100,000 to 999,999 Successor Company Shares, and (c) 1,000,000 to 4,999,999 Successor Company Shares:

a. the aggregate number of such grantees and the number of Successor Company Shares subject to such Target Company Options;

b. the consideration paid for, the date of the grant, and the vesting period of the Target Company Options; and

c. the exercise period and the exercise price for the Target Company Options;

(iv) the dilution effect and impact on earnings per Successor Company Share upon full exercise of the outstanding Target Company Options and full vesting of the outstanding Target Company RSUs granted under the 2016 Share Incentive Plan;

(v) the aggregate number of Successor Company Shares subject to the outstanding Target Company Options and Target Company RSUs granted by the Successor Company under the 2016 Share Incentive Plan and the percentage of the Successor Company's issued share capital of which such number represents immediately after completion of the De-SPAC Transaction (assuming the Presumptions);

(vi) a summary of principal terms of the 2016 Share Incentive Plan;

(vii) the particulars of this waiver;

(B) the list of all the grantees (including the persons referred to in paragraph (ii) above), containing all details as required under Rule 17.02(1)(b), paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with the section headed "Documents on Display – Documents Available for Inspection" in Appendix IX to this circular

Further details of the 2016 Share Incentive Plan are set forth in the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" of this circular.

Registered Office	190 Elgin Avenue George Town, Grand Cayman KY1-9008 Cayman Islands
Head Office	160 San Gabriel Drive Sunnyvale CA, 94086 the United States
Principal Place of Business in China	C4-101 Huangshan Zhong'an Sci-tech Innovation City 23 Shangshan Road Liyang Town Tunxi District Huangshan, Anhui province PRC
Principal Place of Business in Hong Kong	Room 1920, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Successor Company's Website	**www.seyond.com** *(A copy of this circular is available on the Successor Company's website. Except for the information contained in this circular, none of the other information contained in the Successor Company's website forms part of this circular)*
Joint Company Secretaries	**Mr. Yao Yuan (姚遠)** 4/F, Building 9A Yangtze River Delta International R&D Community 286 Qinglonggang Road Xiangcheng District Suzhou PRC **Mr. Lee Leong Yin (李亮賢)** *(FCG, HKFCG)* Room 1920, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

Authorized Representatives	**Dr. Junwei Bao (鮑君威)** 68 Pine Ln, Los Altos CA 94022, the United States **Mr. Lee Leong Yin (李亮賢)** Room 1920, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Dr. Chen Changling *(Chairperson)* Dr. Costas John Spanos Dr. Maximilian Ibel
Remuneration Committee	Dr. Maximilian Ibel *(Chairperson)* Dr. Li Yimin Dr. Costas John Spanos
Nomination Committee	Dr. Bao Junwei *(Chairperson)* Dr. Chen Changling Dr. Costas John Spanos
Compliance Adviser	**Rainbow Capital (HK) Limited** Office No. 710, 7/F Wing On House No. 71 Des Voeux Road Central Central Hong Kong
Principal Share Registrar and Transfer Office	**Walkers Corporate Limited** 190 Elgin Avenue George Town Grand Cayman KY1-9008 Cayman Islands
Hong Kong Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Principal Banks

Citic Bank Suzhou (Jinjihu Branch)
F1, Suxin Building,
No. 88 Jinjihu Road
Wuzhong District
Suzhou City
PRC

Bank of China (Suzhou Xiangcheng Branch)
1st Floor, Nanya Building
No. 618 Jiayuan Road
Xiangcheng District
Suzhou City
PRC

DIRECTORS OF THE SUCCESSOR COMPANY

Name	Address	Nationality
Executive Directors		
Dr. Bao Junwei (鮑君威)	68 Pine Ln, Los Altos CA 94022, the United States	American
Dr. Li Yimin (李義民)	10367 Greenwood Ct #1 Cupertino CA 95014, the United States	American
Independent Non-Executive Directors		
Dr. Chen Changling (陳長齡)	728 Cedar Bend Dr Waterloo Ontario, Canada	Canadian
Dr. Costas John Spanos	84 Orchard Estates Drive Walnut Creek, California United States	American
Dr. Maximilian Ibel	4769 Aukai Ave Honolulu, Hawaii United States	German

Please refer to the section headed "Directors and Senior Management of the Successor Company" for further information with respect to the Directors of the Successor Company.

PARTIES INVOLVED IN THE DE-SPAC TRANSACTION

Joint Sponsors	**Zero2IPO Capital Limited** Unit No. 1506B, Level 15 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place Central, Hong Kong
Sponsor-Overall Coordinator	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central, Hong Kong
Overall Coordinators	**Zero2IPO Securities Limited** Unit No. 1506B, Level 15 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place Central, Hong Kong

Joint Global Coordinators	**Zero2IPO Securities Limited** Unit No. 1506B, Level 15 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central, Hong Kong **CNCB (Hong Kong) Capital Limited** 10/F, AIA Central 1 Connaught Road Central Central Hong Kong **DBS Asia Capital Limited** 73/F, The Center, 99 Queen's Road Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**Zero2IPO Securities Limited** Unit No. 1506B, Level 15 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central, Hong Kong

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Daiwa Capital Markets Hong Kong Limited
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Hong Kong

Tiger Brokers (HK) Global Limited
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Sheung Wan
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower
Shun Tak Centre
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Hong Kong

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ABCI Capital Limited
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50 Connaught Road Central
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ABCI Securities Company Limited
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Legal Advisers to the Target Company

As to Hong Kong law and United States laws

Davis Polk & Wardwell
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As to Cayman Islands law

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As to U.S. export control laws and U.S. foreign investment laws

Hogan Lovells International LLP
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Hong Kong

As to PRC laws with respect to ongoing litigation in relation to patent disputes

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China

BZW Law Firm
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Legal Advisers to TechStar

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Han Kun Law Offices LLP
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Hong Kong

Legal Advisers to the Joint Sponsors and the Overall Coordinators	*As to Hong Kong law* **Allen Overy Shearman Sterling** 9/F, Three Exchange Square Central Hong Kong *As to PRC law* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road Beijing 100025, PRC
Reporting Accountant and Auditor	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B, Jing'an International Center 88 Puji Road Jing'an District, Shanghai PRC

TechStar Acquisition Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7855)

(Warrant Code: 4855)

Executive Directors of TechStar:
Mr. NI Zhengdong *(Chairman and Co-chief Executive Officer)*
Mr. LUO Xuan (*Co-chief Executive Officer*)
Mr. LI Zhu
Mr. CHEN Yaochao
Ms. JIANG Jun

Non-Executive Directors of TechStar:
Mr. LAU Wai Kit

Independent Non-Executive Directors of TechStar:
Mr. ZHANG Min
Mr. XUE Linnan
Dr. LI Weifeng

Registered Office:
PO Box 309, Ugland House
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Principal Place of Business in Hong Kong:
Unit No. 1506B, Level 15
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

November 12, 2025

To the TechStar Shareholders

Dear Sir or Madam,

(1) DE-SPAC TRANSACTION COMPRISING
(A) THE BUSINESS COMBINATION AGREEMENT
(B) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION BY THE SUCCESSOR COMPANY
(C) THE PIPE INVESTMENTS
(2) MERGER PROPOSAL
(3) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION BY TECHSTAR
(4) WITHDRAWAL OF LISTING OF TECHSTAR CLASS A SHARES AND TECHSTAR LISTED WARRANTS
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

A. INTRODUCTION

Reference is made to the De-SPAC announcement dated December 20, 2024 issued by TechStar in relation to (1) the Business Combination Agreement with Seyond Holdings Ltd. (being the Target Company) and the Merger Sub (being a wholly-owned subsidiary of the Target Company) in relation to the Merger, (2) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, (3) the Promoters Lock-up Agreement with the Target Company and the Promoters, (4) the Target Company Shareholder Lock-up Agreement with the Target Company and the members of the single largest group of shareholders of the Target Company, and (5) an Amendment to the TechStar Listed Warrants.

The purpose of this circular is to provide the TechStar Shareholders with, among other things, (i) further information on the De-SPAC Transaction (including the Business Combination Agreement and the transactions contemplated thereunder, the PIPE Investments, and the Merger), the Target Group and other information as required to be disclosed under the Listing Rules; (ii) details of the exchange of TechStar Shares and TechStar Warrants for Successor Company Shares and Successor Company Warrants pursuant to the De-SPAC Transaction and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants; (iii) details of the Redemption Right and the Appraisal Right; and (iv) a notice of the EGM.

B. OVERVIEW OF THE DE-SPAC TRANSACTION

The De-SPAC Transaction will result in the business combination of TechStar with the Target Group. The Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Stock Exchange.

The Target Group is one of the key players in the design, development, and production of automotive-grade LiDAR solutions. The Target Group offers LiDAR solutions for advanced driver assistance system, automated driving system, and other automotive and non-automotive application scenarios. In 2024, the Target Group delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to CIC. Further details of the Target Group are set out in "– C. Information About the Target Group" in this section below.

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the Merger of TechStar and Merger Sub, following which the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company. Details of the Business Combination Agreement are set out in "– F. The Business Combination Agreement" in this section below.

Upon Closing, (i) TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders), together with the PIPE Investors, investors of the Permitted Equity Financing (if any), and the existing shareholders of the Target Company will become shareholders of the Successor Company, (ii) TechStar Warrantholders will become warrantholders of the Successor Company, (iii) TechStar's listing status will be withdrawn, and (iv) the Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Stock Exchange. Details of the effect of the De-SPAC Transaction on the shareholdings in TechStar and the Successor Company are set out in "– I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company" in this section below.

In connection with the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares. See "– N. Share Redemptions" in this section below for further details. The Cayman Companies Act also provides for a right of the Dissenting TechStar Shareholders to be paid the fair value of their Dissenting TechStar Shares. See "– O. Appraisal Right of Dissenting TechStar Shareholders" in this section below for further details.

The gross proceeds from the PIPE Investments pursuant to the PIPE Investment Agreements will be approximately HK$551.3 million. See "– G. PIPE Investments" in this section below for further details.

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles are subject to approval by the TechStar Shareholders at the EGM. The Promoters, Wealth Strategy (a holder of TechStar Class A Shares and a PIPE Investor), their respective close associates and any other TechStar Shareholders and their close associates who have a material interest in the De-SPAC Transaction will abstain from voting on the relevant resolutions as required by the Listing Rules. See "– Q. EGM and Voting" in this section below for further details.

In connection with or following the De-SPAC Transaction (including the issuance of Successor Company Shares to the Promoters and the PIPE Investors and the potential exercise of Successor Company Warrants), the shareholding and value of shareholding of Successor Company Shareholders (including non-redeeming TechStar Shareholders) will be diluted. For details of the potential dilution effect, see details set forth in the subsection headed "I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 7. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction."

C. INFORMATION ABOUT THE TARGET GROUP

1. Business of the Target Group

The Target Group is one of the key players in the design, development, and production of automotive-grade LiDAR solutions. The Target Group offers LiDAR solutions for advanced driver assistance system, automated driving system, and other automotive and non-automotive application scenarios. The Target Group is the world's first provider of automotive-grade LiDAR solutions that reach volume production, according to CIC. In 2024, the Target Group delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to the same source. The Target Group's self-developed software, OmniVidi, provides its customers with fully integrated LiDAR solutions in combination with the Target Group's LiDAR hardware and features high-resolution 3D point cloud and advanced perception algorithms, playing a critical role in ensuring high levels of safety and autonomy. Since its inception, the Target Group has experienced substantial growth, consistently solidifying its position as a market leader in recent years. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt the Target Group's LiDAR solutions on its nine models as of the Latest Practicable Date. Other OEMs and ADAS or ADS companies have also selected the Target Group's LiDAR solutions for integration in a number of their models or ADAS, which have begun volume production and delivery. See "Business of the Target Group" in this circular for more information relating to the business of the Target Group.

2. Financial information of the Target Group

The Target Group has demonstrated significant growth in recent years. The Target Group generated total revenue of US$66.3 million, US$121.1 million, US$159.6 million and US$52.0 million in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. The Target Group recorded loss before tax of US$187.8 million, US$218.1 million, US$397.5 million and US$21.3 million in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. The Target Group recorded loss for the year/period of US$188.2 million, US$219.0 million, US$398.2 million and US$21.5 million in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. See "Financial Information of the Target Group" and "Appendix I – Accountant's Report of the Target Group" in this circular for more financial information.

3. Information on the Controlling Shareholders of the Target Company and a group of single largest shareholders of the Successor Company

As of the Latest Practicable Date, Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of Controlling Shareholders of the Target Company by virtue of Rule 1.01 of the Listing Rules, entitling to the following: (i) Dr. Bao controlled the exercise of approximately 20.97% of the voting rights of the Target Company through High Altos Limited and Phthalo Blue LLC and certain voting rights proxied to him; and (ii) Dr. Bao is considered to be in a position to control the composition of a majority of the Board of the Target Company pursuant to the Target Company Articles. Immediately following the Closing (assuming the Presumptions), Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of single largest shareholders of the Successor Company, with Dr. Bao, through High Altos Limited and Phthalo Blue LLC and by virtue of the Voting Proxy Agreements, being able to control the exercise approximately 13.70% of the voting rights of the Successor Company. For details of the Controlling Shareholders of the Target Company as of the date of this circular and a group of single largest shareholders of the Successor Company upon Closing, see "Relationship with the Single Largest Group of Shareholders of the Successor Company" in this circular.

4. Information about the Target Group's existing shareholders

For details of the Target Group's existing shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors" in this circular.

5. Information about Merger Sub

Merger Sub is a newly incorporated Cayman Islands exempted company and a wholly-owned subsidiary of the Target Company. Merger Sub was incorporated solely for the purpose of effecting the Merger and has not carried on any activities other than those in connection with the Merger.

6. Previous Listing Application of the Target Company

The Target Company had previously attempted an initial public offering and listing in the United States. For details of the previous listing application of the Target Company, see "History, Development and Corporate Structure of the Target Group – Previous Listing Application on Other Exchanges" in this circular.

D. INFORMATION ABOUT TECHSTAR

TechStar is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more businesses, with efforts concentrated on companies in new economy sectors in China, including but not limited to innovative technology, advanced manufacturing, healthcare, life sciences, culture and entertainment, consumer and e-commerce, green energy and climate actions industries that align with the national economic trends and industrial policies. TechStar completed an offering comprising 100,100,000 TechStar Class A Shares at an offer price of HK$10.00 per TechStar Class A Share and 50,050,000 TechStar Listed Warrants on December 23, 2022.

TechStar is required to complete a De-SPAC transaction by December 22, 2025, being 36 months from the date of listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange, unless an extension is approved by an ordinary resolution of the TechStar Class A Shareholders and granted by the Stock Exchange.

E. REASONS FOR, AND BENEFITS OF, THE DE-SPAC TRANSACTION

As stated in TechStar's offering circular dated December 19, 2022, TechStar has identified the following general criteria and guidelines that it believes are important in evaluating a target company for the purpose of effecting a business combination with TechStar:

- alignment with economic trends and national industrial policies;
- favorable long-term growth prospects;
- large consumer or business market with differentiated products and services;
- distinct competitive advantages or under-tapped growth opportunities that team is uniquely positioned to identify;
- strong and visionary management team that can create significant value for the De-SPAC Target;
- an ethical, professional and responsible management in pursuit of ESG values;
- high-quality with competitive edges in a new economy sector in China with a differentiated value proposition and product or service barriers; and
- benefit from being a public company.

Having evaluated a number of potential target companies, TechStar considers that the Target Company satisfies the above criteria and that it would be in the interests of TechStar to enter into the De-SPAC Transaction with the Target Company for the following reasons:

- Market and Growth Potentials for Automotive-Grade LiDAR Solutions;
- Achievements in Product Commercialization;
- Optimized and Flexible Technology Architecture;
- Market Player with Strong Performance;
- Growing Customer Base for Automotive-Grade LiDAR Solutions;
- Volume Production Capabilities;
- Supply Chain Management on Quality and Cost Control;
- Visionary Leadership and Robust R&D Capabilities.

See "Business of the Target Group – Our Competitive Strengths" in this circular for details.

The Target Company recorded losses during the Track Record Period, primarily due to the following reasons: (i) whereas the industry of the Target Company has realized commercialization and shown great potentials for future growth, the global LiDAR solutions market, especially the automotive-grade LiDAR solutions market, is still at its early stage of development. In particular, the penetration rate of LiDAR solutions in automotive industry was still low. Since the Target Company realized volume production and massive products delivery in 2022, it has gradually achieved stronger economies of scale and improved cost control. But the yet-to-be-fully materialized economies of scale contributed to its losses during the Track Record Period; and (ii) to further reinforce the presence and competitiveness in the emerging market, the Target Company has devoted significant resources on R&D and product development to ensure the long-term competitiveness. Due to the continuous investment in the R&D of new products and autonomous driving technologies, the Target Company had incurred a significant amount of R&D expenses during the Track Record Period.

Notwithstanding the foregoing, the Target Company had achieved a steady growth in revenue and sales volume during the Track Record Period and it has shown a clear path to profitability. It is expected that this growth will be driven by several factors in the future, such as the favorable market trend, improving solutions and product offerings and customer expansion. The Target Company will also continue to improve its gross margin by optimizing product design, improving production capabilities and expanding production capacity, and controlling the cost of supplies as achieving increasing economies of scale. In addition, during the Track Record Period, the Target Company invested significant resources in R&D to

strengthen its R&D capabilities to launch new products, optimize and upgrade its existing products, and maintain its market-leading position. The R&D expenses incurred by the Target Company in absolute amounts may increase alongside the development of its autonomous driving technologies and the expansion of its product portfolio in the future; however, it is expected that its R&D expenses as a percentage of revenue will gradually decrease in the future, along with the maturity of its product mix.

See "Business of the Target Group – Business Sustainability" in this circular for details.

Based on the above and having taken into account the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and other arrangements as set out below, the TechStar Directors (including the TechStar independent non-executive Directors) consider that (i) the status of loss-marking of the Target Company during the Track Record Period will not undermine the benefits that the Target Company will bring to the TechStar Shareholders from its favorable long-term and sustained business growth and future profitability, and (ii) the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the TechStar Shareholders as a whole.

F. THE BUSINESS COMBINATION AGREEMENT

1. Principal terms of the Business Combination Agreement

The principal terms of the Business Combination Agreement are set out below:

(a) Date

December 20, 2024 and as supplemented on September 25, 2025 and November 6, 2025, respectively

(b) Parties

(i) TechStar;

(ii) Target Company; and

(iii) Merger Sub (together, the "**Parties**").

To the best of the TechStar Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company and the Merger Sub and their ultimate beneficial owners are independent third parties of TechStar and its connected persons.

(c) Pre-Closing Actions

At the Effective Time, the following actions shall take place or be effected in the order set out below. The Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue as described in (i) to (iv) below.

(i) *Conversion of Target Company Preferred Shares*. Each Target Company Preferred Share (other than the Target Company Preferred Share designated as Series A preferred share) that is issued and outstanding immediately prior to the Effective Time will be converted into Target Company Ordinary Shares on a 1:1 basis in accordance with Target Company Articles. Each Target Company Preferred Share designated as Series A preferred share that is issued and outstanding immediately prior to the Effective Time will be converted into Target Company Ordinary Shares on a 1:3.57929 basis in accordance with the Target Company Articles.

(ii) *Organizational Documents of Target Company*. Upon the completion of the De-SPAC Transaction, Target Company Articles, as in effect immediately prior to the Effective Time, will be amended and restated to read in their entirety in the form of the amended and restated memorandum and articles of association of Target Company, and, as so amended and restated, will be the memorandum and articles of association of the Target Company, until thereafter amended in accordance with the terms thereof and the Cayman Companies Act.

(iii) *Capitalization Issue*. The Target Company will allot and issue such number of fully paid Target Company Shares at par value by way of capitalizing all or any part of any amount for the time being standing to the credit of the share premium account of the Target Company, on a pro rata basis to all Target Company Shareholders that appear on the register of members of the Target Company immediately prior to the Effective Time and after having completing the conversions specified in F(1)(c)(i) above (subject to rounding as provided in the Business Combination Agreement) (the "**Capitalization Issue**"), such that immediately after the Capitalization Issue, the share capital of the Target Company (on an outstanding share basis) will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the Negotiated Value by HK$10.00.

(iv) *Treatment of Target Company Options*. Immediately following the Capitalization Issue, each Target Company Option outstanding as of the effective time of the Capitalization Issue (the "**Capitalization Issue Effective Time**") will, automatically and without any action on the part of any holder of such Target Company Option or beneficiary thereof, continue to be an option to purchase Target Company Ordinary Shares (collective, the "**Continuing Options**" and each a "**Continuing Option**") subject to substantially the same

terms and conditions as were applicable to such Target Company Option immediately before the Capitalization Issue Effective Time (including expiration date and exercise or vesting provisions), except that: (A) each Continuing Option will be exercisable for that number of Target Company Ordinary Shares equal to the product (rounded down to the nearest whole Target Company Ordinary Share) of (1) the number of Pre-Capitalization Target Company Ordinary Shares subject to such Target Company Option immediately before the Capitalization Issue Effective Time multiplied by (2) the Capitalization Issue Factor; and (B) the per share exercise price for each Target Company Ordinary Share issuable upon exercise of the Continuing Option will be equal to the quotient obtained by dividing (1) the exercise price per Pre-Capitalization Target Company Ordinary Share of such Target Company Option, immediately before the Capitalization Issue Effective Time by (2) the Capitalization Issue Factor (rounded up to the nearest whole cent); provided, however, that the exercise price and the number of Target Company Ordinary Shares purchasable under each Continuing Option will, to the extent applicable, be subject to adjustments in accordance with applicable requirement of the Revenue Code.

(v) *Treatment of Target Company RSUs.* Immediately following the Capitalization Issue, each Target Company RSU outstanding as of the Capitalization Issue Effective Time will, automatically and without any action on the part of any holder of such Target Company RSUs or beneficiary thereof, continue to be a restricted share unit covering such number of Target Company Ordinary Shares equal to the product (rounded down to the nearest whole Target Company Ordinary Share) of (1) the number of Pre-Capitalization Target Company Ordinary Shares subject to such Target Company RSU immediately before the Capitalization Issue Effective Time multiplied by (2) the Capitalization Issue Factor, subject to substantially the same terms and conditions as were applicable to such Target Company RSU immediately before the Capitalization Issue Effective Time (including expiration date, and vesting schedules and conditions).

(d) Merger

The Merger will be implemented by the Parties pursuant to which TechStar will become a directly wholly-owned subsidiary of the Successor Company and in consideration therefor, the TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company upon Closing.

The details of the Merger are set out below:

(i) *The Merger*. At the Merger Effective Time, upon the terms and subject to the conditions of the Business Combination Agreement and in accordance with the applicable provisions of the TechStar Plan of Merger and the Cayman Companies Act, Merger Sub and TechStar will consummate the Merger, pursuant to which Merger Sub will merge with and into TechStar, following which the separate corporate existence of Merger Sub will cease and TechStar will continue as the surviving company after the Merger and become a directly wholly owned subsidiary of the Successor Company.

(ii) *Effective Time*. On the terms and subject to the conditions set forth in the Business Combination Agreement, on the Closing Date, TechStar and Merger Sub will execute and cause to be filed with the Cayman Registrar the TechStar Plan of Merger and other documents as may be required in accordance with the applicable provisions of the Cayman Companies Act or by any other applicable laws to make the Merger effective.

(iii) *Effect of the Merger*. At the Merger Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Merger Sub and TechStar will become that of TechStar as the surviving entity, being a directly wholly-owned subsidiary of the Successor Company.

(iv) *Organizational Documents of the surviving entity*. At the Merger Effective Time, the TechStar Articles will be amended and restated and replaced in its entirety with the memorandum and articles of association of in agreed form between Target Company and TechStar, being the TechStar Private Company Memorandum and Articles.

(v) *Directors and Officers of the surviving entity*. At the Merger Effective Time, the directors and officers of TechStar immediately prior to the Merger Effective Time will resign, and the directors and officers of Merger Sub in each case duly appointed by the Target Company immediately prior to the Merger Effective Time, will be the directors and officers of the surviving entity, each to hold office in accordance with the Organizational Documents of the surviving entity.

(e) Merger consideration

(i) *TechStar Class B Conversion*. Immediately prior to the Merger Effective Time, each of TechStar Class B Shares that is issued and outstanding immediately prior to the Merger Effective Time and held by the Promoters shall automatically be converted into one TechStar Class A Share in accordance with

the terms of the TechStar Articles (such automatic conversion, the "**TechStar Class B Conversion**") and each such TechStar Class B Share shall no longer be issued and outstanding and shall be cancelled and cease to exist.

(ii) *TechStar Ordinary Shares*. At the Merger Effective Time, (1) each TechStar Class A Share issued and outstanding immediately prior to the Merger Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares, and (2) each TechStar Class A Share issued or issuable upon the TechStar Class B Conversion, will automatically be cancelled and cease to exist in exchange for the right to receive one newly issued Successor Company Share. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

(iii) *Exchange of TechStar Listed Warrants*. Each TechStar Listed Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Listed Warrant. Each Successor Company Listed Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Merger Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Listed Warrant Instrument. All rights with respect to TechStar Shares underlying the TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(iv) *Exchange of TechStar Promoter Warrants*. Each TechStar Promoter Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Merger Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the

Successor Company Promoter Warrant Agreement. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(v) *Redeeming TechStar Shares*. Each Redeeming TechStar Share issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist and will represent only the right of the holder thereof to be paid a pro rata share of the TechStar Shareholder Redemption Amount in accordance with the TechStar Articles.

(vi) *Dissenting TechStar Shares*. Each Dissenting TechStar Share issued and outstanding immediately prior to the Merger Effective Time held by a Dissenting TechStar Shareholder will automatically be cancelled and cease to exist and will represent only the right of such Dissenting TechStar Shareholder to be paid the fair value of such Dissenting TechStar Share and such other rights pursuant to Section 238 of the Cayman Companies Act.

See "– I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company" in this subsection for details of the shareholding impact of the De-SPAC Transaction on the shareholders of TechStar and the Target Company.

(f) Conditions to Closing

(1) Conditions to the obligations of TechStar, Merger Sub and the Target Company

The obligations of TechStar, Merger Sub and the Target Company to complete the De-SPAC Transaction are subject to the satisfaction of the following conditions (or if permitted by applicable law, waived by written agreement):

(i) TechStar Shareholders' approval and Target Company Shareholders' approval shall have been obtained and remain valid;

(ii) The Business Combination Agreement, as amended, shall remain enforceable and valid;

(iii) Target Company shall have received and maintained written approval from the Stock Exchange for listing the Successor Company Shares and Successor Company Listed Warrants, and shall meet all new listing requirements;

(iv) Target Company shall have completed the CSRC filings related to the De-SPAC Transaction;

(v) No governmental authority shall enact any law or order that makes the Closing illegal or prohibits its consummation, and all required regulatory approvals for the De-SPAC Transaction shall have been obtained or waived;

(vi) The Capital Restructuring shall have been completed; and

(vii) The proceeds from the PIPE Investments shall be at least HK$1,000,000,000 and meet the independent third-party investment requirements under modified Rule 18B.41 of the Listing Rules, or comply with any waiver granted by the Stock Exchange, with all PIPE Investment Agreements remaining enforceable and valid.

(2) Additional conditions to the obligations of TechStar

The obligations of TechStar to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if permitted by applicable law, waived in writing by TechStar):

(i) Certain representations and warranties shall be true and correct in all respects as of the Closing Date. All other representations and warranties of the Target Company and Merger Sub shall be true and correct in all material respects except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Target Company material adverse effect as set out in the Business Combination Agreement;

(ii) All obligations and covenants of the Target Company and Merger Sub set forth in the Business Combination Agreement to be performed by the Closing Date shall have been performed in all material respects, unless a specific materiality qualifier or similar exception applies, in which case they shall have been fully performed;

(iii) There shall have not been a Target Company material adverse effect following the date of the Business Combination Agreement that is continuing and uncured; and

(iv) TechStar shall have received a closing certificate signed by an authorized officer of Target Company.

(3) Additional conditions to the obligations of the Merger Sub and the Target Company

The obligations of the Target Company to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if permitted by applicable law, waived in writing by the Target Company):

(i) Certain representations and warranties shall be true and correct in all respects as of the Closing Date. All other representations and warranties of TechStar shall be true and correct in all material respects except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a TechStar material adverse effect as set out in the Business Combination Agreement;

(ii) All obligations and covenants of TechStar set forth in the Business Combination Agreement to be performed by the Closing Date shall have been performed in all material respects, unless a specific materiality qualifier or similar exception applies, in which case they shall have been fully performed;

(iii) There shall have not been a TechStar material adverse effect following the date of the Business Combination Agreement that is continuing and uncured; and

(iv) The Target Company shall have received a closing certificate and certain transaction expense certificate signed by an authorized officer of TechStar.

(g) Termination

The Business Combination Agreement may be terminated prior to the Merger Effective Time only as follows:

(i) by mutual written consent of the Target Company and TechStar;

(ii) by written notice from the Target Company or TechStar to the other if any governmental authority shall have enacted, issued, promulgated, enforced or entered any governmental order which has become final and non-appealable and has the effect of making consummation of the transactions illegal or otherwise preventing or prohibiting consummation of the transactions;

(iii) by written notice from the Target Company to TechStar if the TechStar Board or any committee thereof has withheld, withdrawn, qualified, amended or modified, or publicly proposed or resolved to withhold, withdraw, qualify, amend or modify, the TechStar Board recommendation;

(iv) by written notice from the Target Company to TechStar if the TechStar Shareholders' approval shall not have been obtained by reason of the failure to obtain the required vote at the TechStar Shareholders' meeting duly convened therefor or at any adjournment or postponement thereof in accordance with the Business Combination Agreement;

(v) by written notice from TechStar to the Target Company if the Target Company Shareholders' approval shall have been withheld, withdrawn, qualified, amended or modified;

(vi) by written notice from TechStar to the Target Company if there is any breach of any representation, warranty, covenant or agreement on the part of the Target Company or the Merger Sub set forth in the Business Combination Agreement, such that the conditions set out in "– (f) Conditions to Closing – (2) Additional conditions to the obligations of TechStar" would not be satisfied at the relevant Closing Date (a "**Terminating Company Breach**"), except that, if such Terminating Company Breach is curable by the Target Company or the Merger Sub then, for a period of up to 30 days after receipt by the Target Company of written notice from TechStar of such breach, such termination shall not be effective, and such termination shall become effective only if the Terminating Company Breach is not cured within such 30-day period, provided that TechStar shall not have the right to terminate the Business Combination Agreement if it is then in material breach of any of its representations, warranties, covenants or agreements set forth in the Business Combination Agreement;

(vii) by written notice from the Target Company to TechStar if there is any breach of any representation, warranty, covenant or agreement on the part of TechStar set forth in the Business Combination Agreement, such that the conditions set out in "– (f) Conditions to Closing – (3) Additional conditions to the obligations of the Merger Sub and the Target Company" would not be satisfied at the relevant Closing Date ("**Terminating TechStar Breach**"), except that if any such Terminating TechStar Breach is curable by TechStar then, for a period of up to 30 days after receipt by TechStar of written notice from the Target Company of such breach, such termination shall not be effective, and such termination shall become effective only if the Terminating TechStar Breach is not cured within such 30-day period, provided that Target Company shall not have the right to terminate the Business Combination Agreement pursuant to the Section 10.1(g) if it is then in material breach of any of its representations, warranties, covenants or agreements set forth in the Business Combination Agreement;

(viii) by written notice from TechStar or the Target Company to the other, if the transactions contemplated by the Business Combination Agreement shall not have been consummated on or prior to the 11:59 p.m. (Hong Kong time) on December 22, 2025 (or such extended date as otherwise approved by the Stock Exchange) (the "**Outside Date**"), being the deadline on which the transactions contemplated by the Business Combination Agreement is required to be completed under the Listing Rules, subject to compliance with the requirements of Rule 18B.71 of the Listing Rules which requires the approval of the TechStar Class A Shareholders; provided that the right to terminate the Business Combination Agreement will not be available to any party whose breach of any provision of the Business Combination Agreement primarily caused or resulted in the failure of the transactions to be consummated by such time, provided, further that, to the extent permitted under the TechStar Articles and applicable law, the Outside Date may be extended to a later date by mutual written consent of the Target Company and TechStar, in which case such later date shall be deemed the "Outside Date"; or

(ix) by written notice from TechStar or the Target Company to the other, if any of the PIPE Investment Agreements are terminated resulting in the value of minimum independent third-party investment being less than HK$500 million and such shortfall is not cured within 30 business days following such termination, provided that Target Company's ability to terminate the Business Combination Agreement pursuant to this clause is subject to certain limitations.

Upon termination of the Business Combination Agreement, such agreement will become void and have no effect and the De-SPAC Transaction will not proceed, except that certain surviving provisions will survive termination.

(h) Closing

Closing will occur immediately upon completion of the transactions contemplated to take place immediately after the Effective Time, including, but not limited to, the transactions set out in "– (e) Merger consideration" above.

Subject to the satisfaction (or if applicable and permitted by law, waiver) of the Conditions, it is currently expected that Closing will take place in the fourth quarter of 2025.

2. Bonus Share Issue

As explained in "F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (e) Merger consideration" above, immediately following the Merger Effective Time, each TechStar Class A Share issued and outstanding immediately prior to the Merger Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

The entitlement of the Relevant TechStar Class A Shareholders to receive the Bonus Shares, being the additional one tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them, is intended to disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction. The number of Bonus Shares to be issued was determined through commercial negotiations among the parties to the Business Combination Agreement, with reference to the estimated Redemption Price.

For the avoidance of doubt, (i) if a Relevant TechStar Class A Shareholder has validly exercised its Redemption Right with respect to a portion (but not all) of its TechStar Class A Shares, such Relevant TechStar Class A Shareholder will receive Bonus Shares with respect to such portion of its TechStar Class A Shares that it has not elected to redeem pursuant to the exercise of the Redemption Right, and (ii) a Dissenting TechStar Shareholder (even if such shareholder fails to perfect in accordance with the prescribed statutory procedure or withdraws or otherwise loses his, her or its Appraisal Right pursuant to the Cayman Companies Act and receives one newly issued Successor Company Share for each Dissenting TechStar Share) will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

The Bonus Share Issue forms part of the transactions contemplated under the Business Combination Agreement as part of the De-SPAC Transaction, which is subject to the approval of the TechStar Shareholders at the EGM by ordinary resolution.

3. Basis of the Negotiated Value of the Target Company

The negotiated value of the Target Company in the De-SPAC Transaction (the "**Negotiated Value**") is HK$11.7 billion. The Negotiated Value represents the fair value of the Target Company and was determined through arm's length negotiations with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to:

(a) *Most recent round of pre-listing investment:* The Target Company raised an aggregate of US$144 million from four investors in the most recent round of pre-listing investment in 2023. The Target Company's post-money valuation after this round of investment was HK$10.9 billion, which was determined through arm's length negotiations between the Target Company and the then investors, with reference to (i) the business prospects of global LiDAR solutions, (ii) increase in sales volume of the Target Company's products during the material time; (iii) the Target Company's continued investment in R&D and product development through the material time which led to the launch of Robin Series (the Target Company's long-range or wide-FOV compact LiDAR solutions targeting urban low-to-medium speed application scenarios); and (iv) the valuation of comparable companies in the industry. The Negotiated Value represents an approximately 7.4% increase from such valuation.

(b) *Business development and performance:* The Target Group has demonstrated significant growth in recent years. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt the Target Group's LiDAR solutions on its nine models as of the Latest Practicable Date. Other OEMs and ADAS or ADS companies have also selected its LiDAR solutions for integration in a number of their models or ADAS, which have begun volume production and delivery. The Target Group generated total revenue of US$66.3 million, US$121.1 million, US$159.6 million and US$52.0 million in 2022, 2023 and 2024 and five months ended May 31, 2025, respectively.

(c) *Business prospects:* The market size of global LiDAR solutions is expected to reach US$3.5 billion in 2025 and further grow to US$41.3 billion in 2030, representing CAGR of 63.7%, according to CIC. The market size of global LiDAR solutions for ADAS applications is expected to reach US$1.9 billion in 2025 and US$19.7 billion by 2030, representing a CAGR of 59.8%, according to CIC. The market size of global LiDAR solutions for ADS applications is expected to reach US$0.3 billion in 2025 and further to US$12.4 billion by 2030, representing a CAGR of 104.9%, according to CIC.

The funds raised from TechStar's initial offering prior to any redemptions amounted to HK$1,001,000,000. For the purpose of Rule 18B.39 of the Listing Rules, 80% of such amount is HK$800,800,000 (the "**Benchmark Value**"). The TechStar Board and the Joint Sponsors are of the view that the Target Company has a fair market value exceeding the Benchmark Value as of the date of the Business Combination Agreement on the basis that the Negotiated Value is greater than the Benchmark Value by approximately 1,361.0%, and such Negotiated Value, having been determined by negotiations with the PIPE Investors who have undertaken independent due diligence on the Target Company, provides support for the valuation of the Target Company and represents the fair market value of the Target Company. In particular, each of PIPE Investors satisfies the relevant "sophisticated investor" requirements under the Listing Rules as discussed in "– G. PIPE Investments – 4. Information on the PIPE Investors" in this circular below.

4. Board of Directors of the Successor Company

Immediately after the Effective Time, the board of directors of the Successor Company is expected to comprise five directors, as follows:

(a) two executive directors, who will be Dr. Bao and Dr. Li Yimin; and

(b) three independent non-executive directors, who will be Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel.

See "Directors and Senior Management of the Successor Company" in this circular for biographical details of such directors.

G. PIPE INVESTMENTS

On December 20, 2024, TechStar and the Target Company have entered into the PIPE Investment Agreements with the PIPE Investors as set out below.

1. Principal terms of the PIPE Investments

(a) Subject Matter

Pursuant to the PIPE Investment Agreements, the PIPE Investors have conditionally agreed to subscribe for, and the Target Company (in its capacity as the Successor Company) has conditionally agreed to issue to the PIPE Investors, the PIPE Investment Shares at the price of HK$10.00 per PIPE Investment Share with an aggregate PIPE Investment Amount of HK$551.3 million.

The price of PIPE Investment Share at HK$10.0 represents a discount of approximately 4.8% to the average closing price of approximately HK$10.5 per TechStar Class A Shares as quoted on the Stock Exchange for the last five trading days of TechStar Class A Shares immediately prior to the date of this circular.

(b) Conditions Precedent

The obligations of each PIPE Investor and the Successor Company to consummate the PIPE Investments pursuant to the relevant PIPE Investment Agreements are subject to the satisfaction of the following conditions (or if applicable, waived by the PIPE Investor and/or the Successor Company in writing as applicable to the extent permitted by applicable law):

Conditions to obligations of all parties

(i) all approvals required for the completion of the De-SPAC Transaction (including, without limitation, the shareholders' approval of TechStar, the shareholders' approval of the Target Company, and the approval granted by the Listing Committee for the purpose of authorizing the listing of, and permission to deal in, the Successor Company Shares and Successor Company Warrants) have been obtained and have not been withdrawn;

(ii) all conditions precedent to the closing of the De-SPAC Transaction as set forth in the Business Combination Agreement shall have been fulfilled (as determined by the parties to the Business Combination Agreement) or validly waived in accordance with the terms thereof (other than those conditions which, by their nature can only be satisfied at the closing of the De-SPAC Transaction, provided, however, that such conditions shall be satisfied or validly waived prior to or at the closing of the De-SPAC Transaction), and the closing of the PIPE investment shall occur concurrently with the closing of the De-SPAC Transaction; and

(iii) no Law has been enacted or promulgated by any Governmental Authority (as defined in the PIPE Investment Agreements) prohibiting the transactions contemplated in the PIPE Investment Agreements and the Business Combination Agreement, and there is no valid order or injunction from a court of competent jurisdiction precluding or prohibiting the consummation of such transactions.

Conditions to obligations of the PIPE Investors

(i) the representations and warranties made by TechStar and the Target Company in the respective PIPE Investment Agreements shall be true and accurate in all material respects at and as of the closing of the subscription of the PIPE Investor Shares (except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all material respects at and as of such date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have a material adverse effect on the ability of TechStar and the Target Company to consummate the De-SPAC Transaction and the subscription, as applicable; and

(ii) each of the obligations and covenants of TechStar and the Target Company as set forth in PIPE Investment Agreements and to be performed, satisfied or complied with as of or prior to the closing of the subscription of the PIPE Investor Shares shall have been performed in all material respects.

Conditions to obligations of the Successor Company

(i) The representations and warranties made by the PIPE Investor therein shall be true and accurate in all material respects at and as of the Closing Date (except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all material respects at and as of such date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have a material adverse effect on the ability of PIPE Investor to consummate the subscription; and

(ii) each of the obligations and covenants of the PIPE Investor as set forth in PIPE Investment Agreements and to be performed as of or prior to the closing of the subscription of the PIPE Investor Shares shall have been performed, satisfied or complied with in all material respects.

(c) Closing

The PIPE Investors will subscribe for the PIPE Investment Shares contemporaneously with the closing of the Merger, at such time and in such manner as shall be determined by TechStar and the Target Company.

(d) Termination

Each of the PIPE Investment Agreements may be terminated in the following circumstances:

(i) by the Target Company, in the event that (x) the PIPE Investor fails to pay the purchase price of the PIPE Investment Shares (whether in whole or in part) at the time and in the manner set out in the PIPE Investment Agreement, or (y) if any of the warranties, undertakings, representations or acknowledgements made by the PIPE Investor ceases to be accurate and complete or becomes misleading in any respect;

(ii) with the written consent of all the parties to the PIPE Investment Agreement or for PIPE Investor, by written notice given by either party to terminate such PIPE Investment Agreement;

(iii) the date on which the Business Combination Agreement is validly terminated in accordance with the terms thereof; or

(iv) if the closing of the subscription of the PIPE Investor Shares (other than as a result of a breach of the PIPE Investor's obligations) has not occurred within thirty (30) days after the Outside Date; provided that (i) the PIPE Investor shall not have the right to terminate PIPE Investment Agreements in the event of a breach by the PIPE Investor of any of its covenants or obligations hereunder that directly or indirectly results in the failure to consummate the transactions contemplated by the Business Combination Agreement on or prior to the closing of the subscription of the PIPE Investor Shares; and (ii) nothing in PIPE Investment Agreements shall relieve any of the parties from liability for any willful breach of PIPE Investment Agreements prior to termination, and each of the parties shall be entitled to any remedies available to it at law or in equity for losses, liabilities or damages arising from any such willful breach.

(e) Restrictions on PIPE Investors

The PIPE Investors agree that:

(i) except with the prior written consent of TechStar and the Target Company, the aggregate shareholding (directly and indirectly) of each PIPE Investor and its close associates shall be less than 10% of the total issued share capital of the Successor Company (or such other percentage as may be prescribed by the Listing Rules from time to time for the purpose of the definition of substantial shareholder, or such other percentage as may from time to time be specified by the Stock Exchange for the purpose of constituting a public shareholder). The PIPE Investor shall provide written notice to TechStar and the Target Company if it reasonably expects that the aggregate shareholding (directly and indirectly) of the PIPE Investor and its close associates in the entire issued share capital of the Successor Company will reach or exceed 10% (or such other percentage applicable to substantial shareholder(s) as the Listing Rules may ascribe from time to time);

(ii) other than PIPE Investment Agreements, the PIPE Investor and its respective close associates, directors, officers, employees or agents will not enter into any other arrangement or agreement, including any side letter, with TechStar, the controlling shareholders of TechStar, the Target Company, Promoters, Controlling Shareholders or their respective close associates, directors, officers, employees or agents in each case in connection with the De-SPAC Transaction; and

(iii) the PIPE Investor may transfer all or a portion of the PIPE Investor Shares to any wholly owned subsidiary of the PIPE Investor provided that following conditions are met:

(A) Prior to such transfer, such subsidiary of the PIPE Investor shall make a written undertaking (addressed to SPAC and the Target Company in terms reasonably satisfactory to them) agreeing to, and the PIPE Investor shall undertake to procure such subsidiary of the PIPE Investor to, be bound by the obligations of the PIPE Investor under the PIPE Investment Agreement, as if such subsidiary was a party to this Agreement and subject to such obligations and restrictions hereto;

(B) Such subsidiary of the PIPE Investor is deemed to have made the same representations and warranties under the PIPE Investment Agreement;

(C) The PIPE Investor and such subsidiary of the PIPE Investor are deemed to be investors holding all of the PIPE Investor Shares and are jointly and severally subject to all of the liabilities and obligations imposed by PIPE Investment Agreement; and

(D) Such subsidiary of the PIPE Investor is (x) a qualified institutional buyer or (y) is located outside the United States, and will purchase the PIPE Investor Shares in an offshore transaction pursuant to Regulation S under the U.S. Securities Act.

The restrictions on PIPE Investors shall not contravene any applicable Listing Rules. In the event of any discrepancy or conflict between these restrictions and the Listing Rules, the Listing Rules shall prevail.

2. PIPE Investment Amount

Details of the respective PIPE Investment Amount for the subscription of PIPE Investment Shares by each PIPE Investor are set out below:

Name of PIPE Investors	Amount of PIPE Investment	Number of Successor Company Shares to be issued to the relevant PIPE Investor	PIPE Investment amount of the relevant PIPE Investor as a percentage of Negotiated Value of the Target Company	Percentage of the interests held by the relevant PIPE Investor in the Successor Company upon completion of the De-SPAC Transaction (assuming full redemption of TechStar Class A Shares)[(1)]	Percentage of the interests held by the relevant PIPE Investor in the Successor Company upon completion of the De-SPAC Transaction (assuming no redemption of TechStar Class A Shares)[(2)]
Huangshan Construction Investment Capital	HK$387,500,000	38,750,000	3.31%	3.10%	2.85%
Wealth Strategy	HK$156,000,000	15,600,000	1.33%	1.25%	1.15%
Zhuhai Hengqin Huagai	HK$7,800,000	780,000	0.07%	0.06%	0.06%
Total	**HK$551,300,000**	**55,130,000**	**4.71%**	**4.41%**	**4.06%**

Notes:

(1) Assuming (i) the Capital Restructuring is completed; (ii) all TechStar Shareholders elect to redeem all TechStar Class A Shares and/or exercise their Appraisal Right in full; (iii) there is no exercise of warrants; (iv) no Permitted Equity Financing occurs; and (v) no new share of the Target Company is issued before the De-SPAC Transaction.

(2) Assuming (i) the Capital Restructuring is completed; (ii) no TechStar Shareholders elect to redeem any TechStar Class A Shares and/or exercise their Appraisal Right; (iii) there is no exercise of warrants; (iv) no Permitted Equity Financing occurs; and (v) no new share of the Target Company is issued before the De-SPAC Transaction.

The PIPE Investment Amount for each PIPE Investment was determined after arm's length negotiation between the parties to the respective PIPE Investment Agreements taking into account the pre-money equity value of the Target Company of HK$11.7 billion, the effect of the De-SPAC Transaction on shareholdings in the Successor Company, the current development plan of the Target Company and its need for proceeds.

The PIPE Investment Amount is expected to be funded by the respective PIPE Investors by internal funds. At least three Business Days prior to the scheduled date of closing of the PIPE Investments, each PIPE Investor will deliver to the Target Company its respective PIPE Investment Amount in Hong Kong dollars by wire transfer in immediately available funds without any deduction or set-off to the bank account specified by the Target Company to be held in escrow until the closing of the PIPE Investments.

3. Total Funds to be Raised from Independent PIPE Investors

Pursuant to the modified Rule 18B.41 of the Listing Rules, the total funds raised from independent third-party investors must constitute at least the prescribed percentage of the negotiated value of the De-SPAC target, or HK$500 million, whichever is lower.

As the total funds to be raised from the PIPE investments amount to approximately HK$551.3 million, exceeding HK$500.0 million, the minimum independent third-party investment requirement under Rule 18B.41 of the Listing Rules as modified by the Stock Exchange has been satisfied. See the subsection headed "G. PIPE Investments – 4. Information on the PIPE Investors" below for more details of the eligibility of relevant PIPE Investors.

4. Information on the PIPE Investors

(a) Huangshan Construction Investment Capital

Huangshan Construction Investment Private Equity Fund Management Co., Ltd. (黃山建投私募基金管理有限公司) ("**Huangshan Construction Investment Capital**") is a limited liability company incorporated in the PRC with a paid-up share capital of RMB50.0 million. It is a wholly-owned subsidiary of Huangshan Construction Investment Group Co., Ltd. (黃山市建設投資集團有限公司) ("**Huangshan Construction Investment Group**"), which is in turn wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Huangshan City (黃山市人民政府國有資產監督管理委員會).

Huangshan Construction Investment Capital is a platform of Huangshan Construction Investment Group with functions of professional private equity investment, equity investment management and capital operation, which wholly owns Huangshan Construction Investment (Hong Kong) International Limited in Hong Kong as its offshore arm. Huangshan Construction Investment Capital are experienced in merger and acquisition and onshore and offshore investment, such as the acquisition of Changzhou NRB Corporation (常州光洋軸承股份有限公司) ("**NRB**"), a company listed on the Shenzhen Stock Exchange (stock code: 002708) and the subscription as a cornerstone investor in the initial public offering of Ruichang International Holdings Limited on the Stock Exchange (stock code: 1334).

Huangshan Construction Investment Group is a Class I state-owned capital investment and operation company of Huangshan City with a registered capital of RMB5.0 billion, which owns approximately 90 affiliates, including NRB. The main functions of Huangshan Construction Investment Group include investment and financing of urban and rural construction, comprehensive urban operations, investment and development of strategic and emerging industries, and development and operation of industrial zone, focusing on urban and rural construction, modern service industry, logistics and trade, energy and resources industry, and investment in strategic emerging industry. Huangshan Construction Investment Group assumes the responsibility of development and construction of key projects, industrial investment and caption operation of Huangshan City. As of December 31, 2024, Huangshan Construction Investment Group's credit rating was AA+ and had total assets of approximately RMB50 billion and a diverse investment portfolio size of over RMB10 billion.

(b) Wealth Strategy

Wealth Strategy Holding Limited (富策控股有限公司) ("**Wealth Strategy**") is a company incorporated in Hong Kong and wholly owned by Wealth Strategy Group Limited, an investment company incorporated in the British Virgin Islands, which is wholly owned by Mr. Kung Hung Ka (龔虹嘉). Wealth Strategy holds approximately 3.76% of the equity interests in Zero2IPO Holdings Inc. (the holding company of Zero2IPO Capital Limited, being one of the Promoters) and controlled, through Fortune Opportunity Fund, 30,910,000 TechStar Class A Shares, representing 24.71% of total issued TechStar Shares, and 15,455,000 TechStar Listed Warrants. Mr. Kung Hung Ka is a non-executive director of Zero2IPO Holdings Inc. and is also a director of Zero2IPO Consulting Group Co., Ltd., being one of the Promoters. Mr. Kung Hung Ka has not been involved in the overall management and the daily operation of Zero2IPO Holdings Inc. and Zero2IPO Consulting Group Co., Ltd., who only provides general guidance and advice on the business strategies. Mr. Kung Hung Ka is not one of the senior members of the Promoters' professional team experienced in corporate finance advisory service. Fortune Opportunity Fund was a discretionary fund which was controlled by Wealth Strategy. From the listing of TechStar to the date of this circular, Mr. Kung and Fortune Opportunity Fund have complied with the non-dealing undertaking pursuant to Rule 18B.15 of the Listing Rules because (i) Wealth Strategy has not disposed of any participating share of Fortune Opportunity Fund; and (ii) Fortune Opportunity Fund has not dealed in any TechStar Class A Share and TechStar Listed Warrant. Wealth Strategy is an investment holding company and had a diverse investment portfolio size of over HK$8.0 billion as of December 31, 2024, which invests directly or indirectly in life sciences, medicine, education, Internet and technology, media & telecommunications (TMT) industry.

(c) Zhuhai Hengqin Huagai

Zhuhai Hengqin Huagai Jiuyuan Investment Company Limited (珠海橫琴華蓋玖元股權投資有限公司) ("**Zhuhai Hengqin Huagai**") is a limited liability company established under the laws of the PRC. Zhuhai Hengqin Huagai is a wholly-owned subsidiary of Huagai Capital Co., Ltd. (華蓋資本有限責任公司) ("**Huagai Capital**"), being one of investment arms of Huagai Capital. Zhuhai Hengqin Huagai holds 0.1459% of the equity interests in Zero2IPO Consulting Group Co., Ltd., being one of the Promoters.

Huagai Capital is a company established under the laws of the PRC and is ultimately controlled by Xu Xiaolin (許小林) and Lu Binghui (鹿炳輝), each of whom is an independent third party and a founder of Huagai Capital. Huagai Capital primarily invests in emerging growth companies with a focus on healthcare and technology industry. As of December 31, 2024, the amount of assets under management by Huagai Capital exceeded RMB10.0 billion.

To the best of the TechStar Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the PIPE Investors satisfies the independence requirements as set out in Chapter 2.4 of the Guide for New Listing Applicants; (ii) each of the PIPE Investors is a Professional Investor; and (iii) each of the PIPE Investors satisfies the "sophisticated investor" requirements as set out in Chapter 2.4 of the Guide for New Listing Applicants.

5. Use of Proceeds

The gross proceeds from the PIPE Investments will be approximately HK$551.3 million. After deducting the De-SPAC Transaction expenses and assuming 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares and there is no Permitted Equity Financing, the net proceeds which the Successor Company will receive from the De-SPAC Transaction are estimated to be approximately HK$474.0 million, will be used for the following:

(a) approximately 60%, or HK$284.4 million, will be used for research and development of new LiDAR architectures, hardware and software upgrades;

(b) approximately 20%, or HK$94.8 million, will be used for upgrade of existing production lines. We plan to upgrade the automation of existing production lines to support volume production for next-generation LiDAR solution hardware and increasing production orders from OEMs and customers for non-automotive application scenarios globally;

(c) approximately 10%, or HK$47.4 million, for our global expansion. We intend to enhance our global business development and sales and marketing efforts, including hiring experienced staff for the expansion of localized sales and marketing teams in overseas markets, aiming to strengthen our business relationships with OEMs globally; and

(d) approximately 10%, or HK$47.4 million, for general corporate purposes, which may include working capital needs and potential strategic investments and acquisitions, although we have not identified any specific investments or acquisition opportunities at this time.

See "Future Plans and Use of Proceeds" for details.

H. OTHER ARRANGEMENTS

1. Promoters Lock-up Agreement

Concurrently with the execution of the Business Combination Agreement, TechStar, the Target Company and the Promoters entered into an agreement, pursuant to which, among other things, and subject to the terms and conditions set forth therein, each of the Promoters has agreed (a) not to transfer the Successor Company Shares to be received by such Promoter (including not to exercise any Successor Company Promoter Warrants) for a period of 12 months from the Closing Date, and (b) to unconditionally and irrevocably waive their Appraisal Right and Redemption Right pursuant to the Cayman Companies Act in respect to all TechStar Shares held by such Promoter with respect to the De-SPAC Transaction (including the Merger and the Business Combination Agreement).

2. Target Company Shareholder Lock-up Agreement

Concurrently with the execution of the Business Combination Agreement, TechStar, the Target Company and the Controlling Shareholders (including Dr. Bao, High Altos Limited and Phthalo Blue LLC) entered into an agreement, pursuant to which, among other things, and subject to the terms and conditions set forth therein, each of the Controlling Shareholders will agree not to transfer the Successor Company Shares to be received by such holder and controlled through the Voting Proxy Agreements for a period of six months from the Closing Date.

In connection with the Business Combination Agreement, TechStar, the Target Company and certain existing Target Company Shareholders also entered into respective agreements with substantially similar terms pursuant to which, among other things, and subject to the terms and conditions set forth therein, each relevant existing Target Company Shareholder will agree not to transfer the Successor Company Shares to be received by them for a period of six months from the Closing Date. For identities of the existing Target Company Shareholders who will be subject to the foregoing lock-up obligations, see "History, Development and Corporate Structure of the Target Group — Capitalization of the Target Company".

3. Successor Company Listed Warrant Instrument

On or prior to the Closing Date, the Target Company will approve and adopt the listed warrant instrument by way of deed poll, to take effect at the Effective Time and containing the terms and conditions of the Successor Company Listed Warrants, which are substantially the same as the terms and conditions of the TechStar Listed Warrants under the TechStar Listed Warrant Instrument. Details of the terms and conditions of the Successor Company Listed Warrants are disclosed in Appendix VIII in the Circular.

4. Successor Company Promoter Warrant Agreement

On or prior to the Closing Date, the Target Company, the Promoters and certain other parties named therein will enter into a warrant agreement, to take effect at the Effective Time and containing the terms and conditions of the Successor Company Promoter Warrants, which are substantially the same as the terms and conditions of the TechStar Promoter Warrants under the TechStar Promoter Warrant Agreement. Details of the terms and conditions of the Successor Company Promoter Warrants are disclosed in Appendix VIII in the Circular.

5. Amendment of the TechStar Listed Warrant Instrument

Pursuant to condition 11.2(a)(iii) of the terms and conditions of the TechStar Listed Warrants set out in schedule 2 to the TechStar Listed Warrant Instrument, the TechStar Board has resolved to add the following new clause 5A to the TechStar Listed Warrant Instrument:

"**5A. Exchange of Listed Warrants for Successor Company Listed Warrants and Termination of This Instrument**

In the event that the Successor Company which is listed on the Stock Exchange upon the completion of a De-SPAC Transaction is the De-SPAC Target and not the Company:

(a) *each Listed Warrant may by a resolution of the board of directors of the Company be cancelled in exchange for an equivalent listed warrant in the Successor Company on substantially the same terms and conditions as the Listed Warrants; and*

(b) *this Instrument may by a resolution of the board of directors of the Company be terminated upon the Successor Company executing a warrant instrument with substantially similar terms and conditions as this Instrument.*"

For avoidance of doubt, the Company in new clause 5A refers to TechStar and Listed Warrant in new clause 5A refers to TechStar Listed Warrants.

The TechStar Board has considered that the addition of clause 5A to the TechStar Listed Warrant Instrument (a) would not adversely affect the rights of the holders of the TechStar Listed Warrants in any material respect on the basis that each TechStar Listed Warrant will be exchanged for an equivalent Successor Company Listed Warrant on substantially similar terms and conditions, and the Successor Company will assume each such TechStar Listed Warrant in accordance with its terms, and (b) is necessary or desirable to give effect to the arrangements of the De-SPAC Transaction with respect to the TechStar Listed Warrants.

Based on the above and pursuant to the terms and conditions of the TechStar Listed Warrant Instrument, the amendment to the TechStar Listed Warrant Instrument does not require the consent of any holder of the TechStar Listed Warrants but is subject to the approval of the Stock Exchange under Rule 15.06 of the Listing Rule. TechStar has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent on such amendments to the TechStar Listed Warrant Instrument.

A notice of the above amendment to the TechStar Listed Warrant Instrument has been given to the holders of the TechStar Listed Warrants by way of an announcement published on the websites of the Stock Exchange and TechStar.

6. Permitted Equity Financing

From the date of the Business Combination Agreement until the Effective Time, TechStar and the Target Company may (1) enter into one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more Professional Investors, and/or (2) execute a placing agreement (the "**Placing Agreement**") with the Overall Coordinators and one or more of the other capital market intermediaries (together, the "**Placing Agents**") for placement on a best effort (and not on an underwritten basis) of the Successor Company Shares (the "**Placing**"), in each case at the price of HK$10.00 per share, for an aggregate subscription amount under (1) (if any) and (2) of up to HK$1,000,000,000 that would together constitute a Permitted Equity Financing.

In respect of the Placing, the Placing Agents will be soliciting from prospective Professional Investors indications of interest in subscribing for the Successor Company Shares in the Placing. Prospective Professional Investors will be required to specify the number of Successor Company Shares under the Placing they would be prepared to acquire at the price of HK$10.00 per share. This process, known as "book-building", is expected to commence at any time after the publication of this circular up to, and to end on or about the date of the EGM (which is currently expected to be December 1, 2025), after which the Placing Agreement is expected to be entered into.

It is expected that the Placing will include selective marketing of the Successor Company Shares to Professional Investors only in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional Investors may generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of the Successor Company Shares in the Placing will be effected in accordance with the "book-building" process described above based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Successor Company Shares and/or hold or sell its Successor Company Shares after the Listing. Such allocation is intended to result in a distribution of the Successor Company Shares on a basis which would lead to the establishment of a professional (including institutional) shareholder base to the benefit of the Successor Company and its shareholders as a whole.

The purpose of the Permitted Equity Financing (including the Placing) is to raise additional funds and to satisfy the requirement under Listing Rule 18B.65 for there to be a minimum number of 100 Professional Investors at the time of listing of the Successor Company.

The Permitted Equity Financing (including the Placing), if any, will be subject to approval by the TechStar Shareholders at the EGM, together with the De-SPAC Transaction as one resolution. There is no assurance that the Permitted Equity Financing (including the Placing) will take place as contemplated or at all and that, if any, the aggregate subscription amount of

will reach HK$1,000,000,000. Details of any Permitted Equity Financing (including the Placing), if any, will be announced by TechStar as soon as reasonably practicable after the relevant documentation (in particular, in respect of the Placing, the Placing Agreement) is entered into.

I. EFFECT OF THE DE-SPAC TRANSACTION ON SHAREHOLDINGS IN TECHSTAR AND THE SUCCESSOR COMPANY

As explained in "F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (e) Merger consideration" above, immediately prior to the Merger Effective Time, (i) each of TechStar Class B Shares that is issued and outstanding immediately prior to the Merger Effective Time and held by the Promoters shall automatically be converted into one TechStar Class A Share in accordance with the terms of the TechStar Articles and each such TechStar Class B Share shall no longer be issued and outstanding and shall be cancelled and cease to exist, (ii) each TechStar Class A Share issued and outstanding immediately prior to the Merger Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares, and each TechStar Class A Share issued or issuable upon the TechStar Class B Conversion, will automatically be cancelled and cease to exist in exchange for the right to receive one newly issued Successor Company Share, (iii) each TechStar Listed Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Listed Warrant. Each Successor Company Listed Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Merger Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Listed Warrant Instrument. All rights with respect to TechStar Shares underlying the TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares, (iv) each TechStar Promoter Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Merger Effective Time (including any redemption rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Promoter Warrant Agreement. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares, (v) each Redeeming TechStar Share issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist and will represent only the right of the holder thereof to be paid a pro rata share of the TechStar Shareholder Redemption Amount in accordance with the TechStar Articles, and (vi) each Dissenting TechStar Share issued and outstanding immediately prior to the Merger Effective Time held by a Dissenting TechStar Shareholder will automatically be

cancelled and cease to exist and will represent only the right of such Dissenting TechStar Shareholder to be paid the fair value of such Dissenting TechStar Share and such other rights pursuant to Section 238 of the Cayman Companies Act.

TechStar Class A Shareholders (excluding any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) and TechStar Class B Shareholder(s) will become shareholders of the Successor Company together with the PIPE Investors and the existing shareholders of the Target Company.

The detailed procedures with respect to exchanging TechStar Class A Shares (save for the Redeeming TechStar Shares and Dissenting TechStar Shares, details of which are set out in "– N. Share Redemptions" and "– O. Appraisal Right of Dissenting TechStar Shareholders" in this section below) and TechStar Listed Warrants for securities in the Successor Company are set out below.

1. Exchange of TechStar Class A Shares for Successor Company Shares

Closure of register of members of TechStar

The register of members of TechStar will be closed from Friday, December 5, 2025 onwards in order to determine the entitlements of TechStar Class A Shareholders to the right to receive Successor Company Shares (including the Bonus Shares). The latest time to lodge transfer documents for registration with the TechStar's Hong Kong Share Registrar will be at 4:30 p.m. on Thursday, December 4, 2025.

Automatic conversion of TechStar Class B Shares

Immediately following the Capital Restructuring, each TechStar Class B Share held by the Promoters that is issued and outstanding immediately prior to the Merger Effective Time and held by the Promoters will automatically be converted into one fully paid TechStar Class A Share with the terms of the TechStar Articles, and all of the TechStar Class B Shares will no longer be issued and outstanding and will be cease to exist.

Cancellation of TechStar Class A Shares and Exchange of Successor Company Shares

Immediately following the conversion of TechStar Class B Shares, (i) each TechStar Class A Share issued immediately prior to the Merger Effective Time (other than any TechStar Class A Shares issued in connection with the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares; and (ii) each TechStar Class A Share issued in connection with the conversion of TechStar Class B Shares as disclosed above will automatically be cancelled and cease to exist, in exchange for the right to receive one newly issued Successor Company Share. No fraction of a Successor Company Share shall be issued, and each holder of TechStar Shares that would otherwise be so entitled

to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such shareholder) shall instead be entitled to receive such number of Successor Company Shares to which such shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share. If there are any treasury shares of TechStar, such treasury shares shall automatically be cancelled and shall cease to exist without any conversion thereof or payment or other consideration therefor.

Issue of Successor Company Shares

Immediately following the Merger Effective Time, Successor Company Shares will be issued to TechStar Class A Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) in such number as described above for each TechStar Class A Share issued and outstanding immediately prior to the Merger Effective Time.

Share certificates for Successor Company Shares will be dispatched on the Business Day immediately preceding the date of the Effective Time. On the basis that the Merger Effective Time is on Wednesday, December 10, 2025, the share certificates for settlement of the Successor Company Shares are expected to be dispatched on or before Tuesday, December 9, 2025.

In respect of the Successor Company Shares which the TechStar Class A Shareholders (excluding the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) are entitled to receive in exchange for the cancellation of their TechStar Class A Shares under the Merger, each TechStar Class A Shareholder will be sent one share certificate representing all Successor Company Shares, except for HKSCC Nominees which may request for share certificates to be issued in such denominations as it may specify.

Any share certificates of Successor Company Shares posted to the TechStar Class A Shareholders pursuant to the Merger which have been returned or undelivered will be cancelled. The Successor Company's Hong Kong Share Registrar may thereafter issue new share certificates in respect of such Successor Company Shares to persons who satisfy the Successor Company that they are respectively entitled thereto, and transfer to them all accrued entitlements from the date of allotment and issue of the relevant Successor Company Shares, subject to the payment of any expenses incurred.

Share certificates for the Successor Company Shares will be sent by ordinary post to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the register of members of TechStar in respect of the joint holding at their own risk. For Beneficial Owners that hold TechStar Class A Shares through a nominee (other than HKSCC Nominees) as a Registered Shareholder, share certificates issued in the name of the nominee will be sent by ordinary post to the nominee at its respective registered address in the register of members of TechStar at the risk of the nominee.

For Beneficial Owners whose TechStar Class A Shares are deposited in CCASS and registered under the name of HKSCC Nominees, share certificate(s) will be made available for collection by HKSCC Nominees. Upon receipt of the share certificate(s), HKSCC Nominees will cause such Successor Company Shares to be transferred to the relevant HKSCC participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

2. Exchange of TechStar Listed Warrants for Successor Company Listed Warrants

Closure of register of warrantholders of TechStar

The register of warrantholders of TechStar will be closed from Friday, December 5, 2025 onwards in order to determine the entitlements of TechStar Warrantholders to the right to receive Successor Company Listed Warrants. The latest time to lodge transfer documents for registration with the TechStar's Hong Kong Share Registrar will be at 4:30 p.m. on Thursday, December 4, 2025.

Cancelation of TechStar Listed Warrants

Immediately following the Merger Effective Time, each TechStar Listed Warrant that is outstanding immediately prior to the Merger Effective Time will be automatically canceled and cease to exist in exchange for one Successor Company Listed Warrant, and the Successor Company will assume each such TechStar Listed Warrant in accordance with its terms. All rights with respect to TechStar Shares underlying the relevant TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

Issue of Successor Company Listed Warrants

In accordance with the provisions of the Successor Company Listed Warrant Instrument, each Successor Company Listed Warrant will continue to have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Merger Effective Time under the TechStar Listed Warrant Instrument.

Immediately following the Merger Effective Time, Successor Company Listed Warrants will be issued to TechStar Listed Warrantholders for each TechStar Listed Warrant issued immediately prior to the Merger Effective Time.

For Beneficial Owners whose TechStar Listed Warrants are deposited in CCASS and registered under the name of HKSCC Nominees, warrant certificate(s) will be addressed to and made available for collection by HKSCC Nominees. Upon receipt of the warrant certificate(s), HKSCC Nominees will cause such Successor Company Listed Warrants to be transferred to the relevant HKSCC participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

3. Exchange of TechStar Promoter Warrants for Successor Company Promoter Warrants

Cancelation of TechStar Promoter Warrants

Immediately following the Merger Effective Time, each TechStar Promoter Warrant issued and outstanding immediately prior to the Merger Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

Issue of Successor Company Promoter Warrants

Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Merger Effective Time (including any redemption rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Promoter Warrant Agreement.

Immediately following the Merger Effective Time, Successor Company Promoter Warrants will be issued to warrantholders of TechStar Promoter Warrants for each TechStar Promoter Warrant issued immediately prior to the Merger Effective Time.

Pursuant to the Promoters Lock-up Agreement, the number of Successor Company Promoter Warrants will be subject to certain restrictions following Closing. See "H. Other Arrangements – 1. Promoters Lock-up Agreement" above for further details.

4. Validity of Successor Company Share and Warrant Certificates

No temporary document of title will be issued in respect of the Successor Company Shares and the Successor Company Warrants.

The certificates for the Successor Company Shares and Successor Company Warrants will be dispatched and/or deposited into CCASS (as applicable) on or before Tuesday, December 9, 2025 but such certificates will only become valid at Closing. Investors who trade the Successor Company Shares or the Successor Company Warrants prior to the certificates for the Successor Company Shares and/or the Successor Company Warrants becoming valid do so entirely at their own risk.

5. Withdrawal of Listing of TechStar Class A Shares and TechStar Listed Warrants

Immediately following the Merger Effective Time, each TechStar Share issued and outstanding as of immediately prior to the Merger Effective Time will be automatically canceled and cease to exist. All the share certificates representing TechStar Class A Shares will cease to have effect as evidence of title as from the Merger Effective Time.

TechStar has applied to the Stock Exchange, and the Stock Exchange has granted its permission, for the withdrawal of the listing of TechStar Class A Shares and the TechStar Listed Warrants on the Stock Exchange as described in detail below.

Pursuant to Rule 6.12 of the Listing Rules, an issuer without an alternative listing on another stock exchange recognized by the Stock Exchange for this purpose may not voluntarily withdraw its listing on the Stock Exchange without the permission of the Stock Exchange, unless the requirements under paragraphs (1) to (4) of Rule 6.12 are satisfied including the approval by at least 75% of the votes of independent shareholders at the general meeting with no more than 10% of the votes against the resolution and the offer of a reasonable cash alternative or other reasonable alternative. In light of the structure of the De-SPAC Transaction, TechStar considers that Rule 6.12 of the Listing Rules is not applicable to the De-SPAC Transaction based on the following: (i) the merger structure of the De-SPAC Transaction is not different than if it was to be implemented by way of an acquisition of the Target Company by TechStar as non-redeeming TechStar Class A Shareholders will be able to hold Successor Company Ordinary Shares at the Closing in both cases, and thus Rule 6.12 is also not applicable to the structure under this De-SPAC Transaction; (ii) as TechStar is not being privatized pursuant to this De-SPAC Transaction and non-redeeming TechStar Class A Shareholders will receive listed Successor Company Ordinary Shares, and SFC has granted waiver for Rule 26.1 of the Takeover Code for this De-SPAC Transaction, the voting thresholds under Rule 6.12(2) and (3) of the Listing Rules is also not applicable to this De-SPAC Transaction; and (iii) the withdraw of listing of TechStar Class A Shares will be subject to the approval of shareholders on this De-SPAC Transaction, which will be conducted in accordance with the requirements under the Listing Rules. In addition, there is no requirement under the Cayman Companies Act or TechStar's Articles of Association for the withdrawal of listing of the TechStar Class A Shares to be subject to shareholders' approval. TechStar also has included the withdrawal of listing in the resolutions to be approved at the EGM as it is part and parcel of the entire De-SPAC Transaction. The withdrawal of listing will be subject to the same approval threshold (i.e. ordinary resolution) as the De-SPAC Transaction, with the exception that the Promoters do not have a material interest in the withdrawal of listing (unlike the De-SPAC Transaction) and therefore should not need to abstain from voting on this resolution. Base on the foregoing, in respect of the withdrawal of listing of TechStar Class A Shares, TechStar has applied to the Stock Exchange for, and the Stock Exchange has granted its permission on the dispensation with the requirements of Rule 6.12 and the consequential requirements and withdrawal of the listing of TechStar Class A Shares with effect from the Effective Time of the Merger.

Subject to TechStar Shareholders' approval at the EGM, such withdrawal will take place as soon as practicable following the Merger Effective Time. Pursuant to Listing Rule 15.05(1), the TechStar Listed Warrants may be listed only if the underlying securities to be subscribed or purchased are a class of listed equity securities, the listing of the TechStar Listed Warrants will be withdrawn simultaneously as the withdrawal of listing of the TechStar Class A Shares. Given that TechStar Listed Warrants will be exchanged for Successor Company Listed Warrants on substantially the same terms and conditions at the Closing and the Successor Company Listed Warrants will be listed on the Stock Exchange upon the Closing, TechStar considers that the exchange of TechStar Listed Warrants for Successor Company Listed

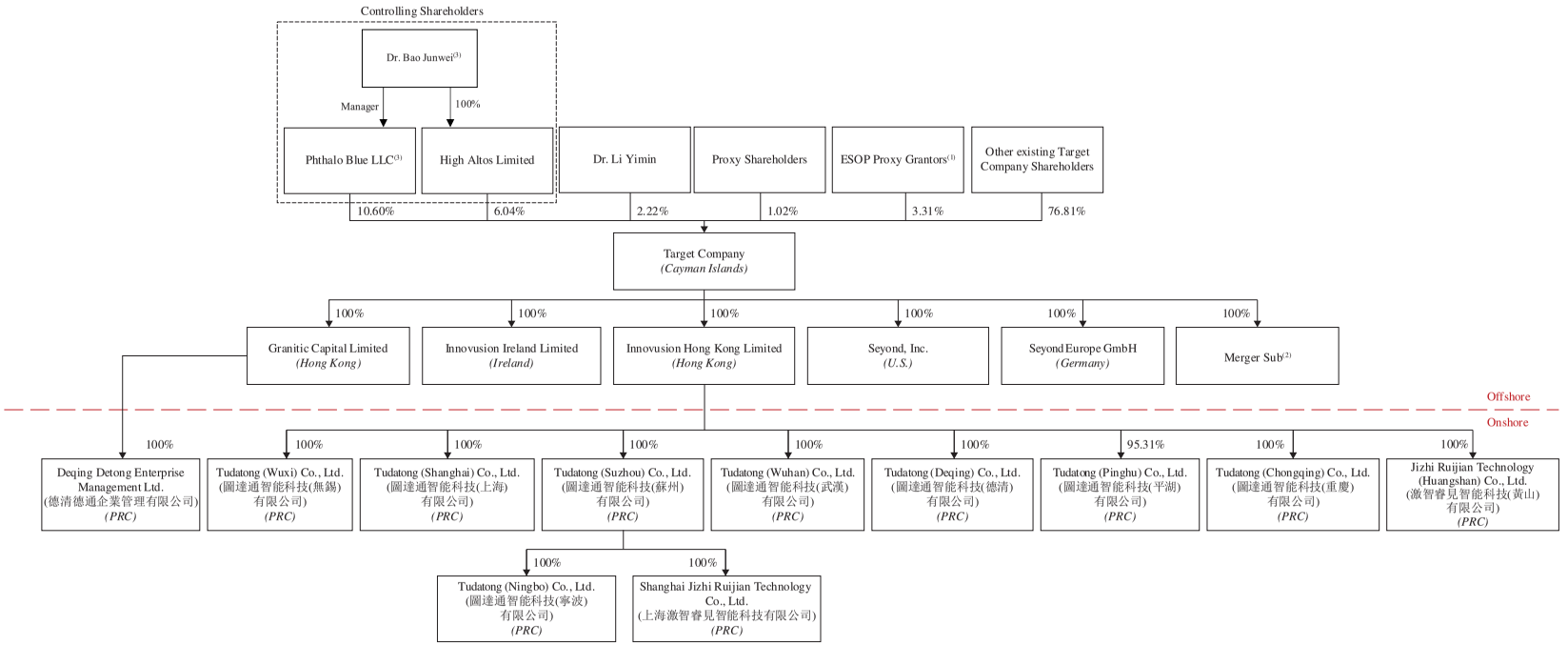
Warrants, the termination of the TechStar Listed Warrant Instrument and the withdrawal of listing of the TechStar Listed Warrants therefore do not adversely affect the rights of the warrantholders in any material respect. Under the Cayman Companies Act and the TechStar Listed Warrant Instrument, TechStar Listed Warrants do not carry voting rights in TechStar's general meetings. There is no requirement under the Cayman Companies Act or the TechStar Listed Warrant Instrument for the De-SPAC Transaction, the termination of the TechStar Listed Warrant Instrument or the withdrawal of listing of the TechStar Listed Warrants to be approved by the TechStar Warrantholders. Based on the foregoing, TechStar has applied to the Stock Exchange for, and the Stock Exchange has granted its permission on the withdrawal of listing of TechStar Listed Warrants with effect from the Effective Time of the Merger.

The latest time for trading and dealing of TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange is expected to be 4:10 p.m. on Thursday, December 2, 2025. The listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be withdrawn after the Effective Time at 9:00 a.m. on Wednesday, December 10, 2025.

TechStar Class A Shareholders and TechStar Listed Warrantholders will be notified by way of announcement(s) of the date of the latest time for trading of TechStar Class A Shares and the dates on which the withdrawal of the listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will become effective and the date on which Closing will occur.

6. Corporate Structure

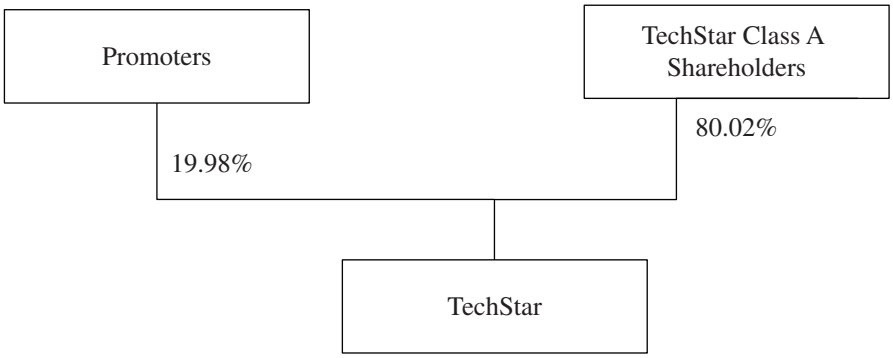
The simplified corporate structure charts of the Target Group and TechStar immediately prior to the De-SPAC Transaction are set out below:



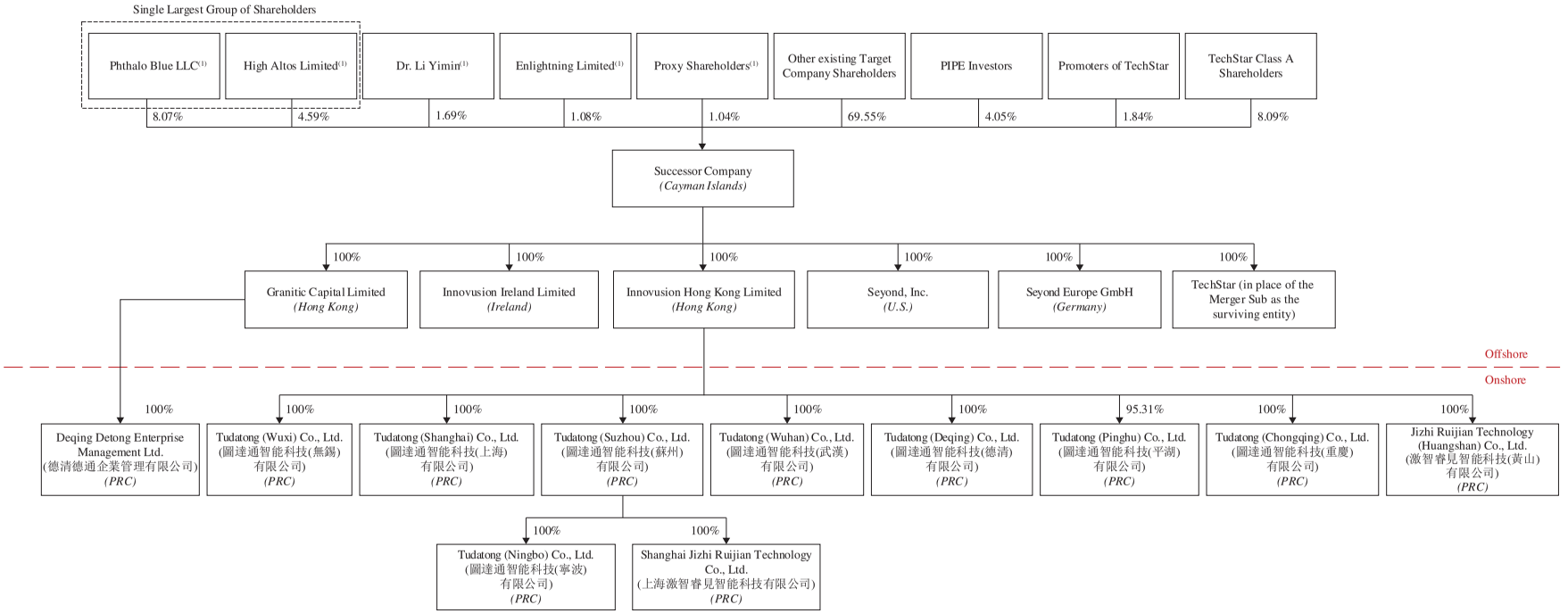
Notes:

(1) The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed. Accordingly, Shares held by the ESOP Proxy Grantors will be counted towards public float upon the Closing. For identities of the ESOP Proxy Grantors, see "Definitions" section in this circular.

(2) Following the De-SPAC Transaction, the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company.


Promoters
TechStar Class A Shareholders
19.98%
80.02%
TechStar

The simplified corporate structure chart of the Successor Group immediately upon Closing (assuming (i) the Capital Restructuring is completed; (ii) no TechStar Class A Shareholders exercise their Redemption Right; (iii) no TechStar Class A Shareholders exercise their Appraisal Right; (iv) 55,130,000 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements; and (v) there is no Permitted Equity Financing) is set out below:



Note:

(1) Upon completion of the De-SPAC Transaction, the voting rights attached to the Successor Company Shares held by these shareholders of the Successor Company will not count towards the public float.

7. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction

(a) Assuming no redemption of TechStar Class A Shares

Assuming (i) no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares or exercise their Appraisal Right, (ii) no new share of the Target Company is issued before completion of the proposed De-SPAC Transaction, (iii) no exercise of any awards granted by the Target Company under its share incentive plan and no exercise of any Successor Company Warrants, and (iv) no Permitted Equity Financing occurs, the expected shareholding and voting rights in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	**Number of Successor Company Shares**	**%[1]**
Existing Shareholders of the Target Company that will not count towards the public float		
High Altos Limited[2]	62,446,921	4.59%
Phthalo Blue LLC[2]	109,708,072	8.07%
Dr. Li Yimin[2][5]	22,953,996	1.69%
Proxy Shareholders[3][5]	14,165,256	1.04%
Enlightning Limited[4][5]	14,645,721	1.08%
Existing Shareholders of the Target Company that will count towards the public float		
Honour Key Limited[5]	124,323,359	9.14%
Dahlia Investments PTE. LTD.[5]	65,512,810	4.82%
ERVC Technology IV LP[5]	57,012,983	4.19%
Banyan Partners Fund II, L.P.[5]	56,903,436	4.18%
Other existing Target Company Shareholders[6]	642,327,446	47.21%
PIPE Investors		
Huangshan Construction Investment Capital	38,750,000	2.85%
Wealth Strategy	15,600,000	1.15%
Zhuhai Hengqin Huagai	780,000	0.06%
TechStar Class A Shareholders	110,110,000	8.09%
Promoters	25,000,000	1.84%
Total	**1,360,240,000**	**100.00%**

Notes:

(1) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

(2) Upon Closing, Dr. Bao and Dr. Li Yimin are executive directors of the Successor Company. High Altos Limited is wholly-owned by Dr. Bao, and Dr. Bao is the manager of Phthalo Blue LLC. Therefore, the Successor Company Shares held by Dr. Li Yimin, High Altos Limited and Phthalo Blue LLC will not be counted towards the public float.

(3) Various Proxy Shareholder(s) agreed to grant Dr. Bao the voting rights in respect of some or all of the Successor Company Shares held by them through the Voting Proxy Agreements, such that Dr. Bao is entitled to exercise in his sole discretion the voting rights with respect to 14,165,256 Successor Company Shares. Therefore, these Successor Company Shares will not be counted towards the public float.

(4) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested Target Company Options to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company, namely Mr. Pu Xinghua (蒲興華), a director of certain of our major subsidiaries, who holds approximately 10.45% of the equity interests in Enlightning Limited. Therefore, the Successor Company Shares held by Enlightning Limited will not be counted towards the public float.

(5) For background of these existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors".

(6) This refers to the existing Target Company Shareholders whose holding will count towards the public float where none of them individually holds more than 4% in the shareholding of Successor Company immediately after the Closing. For details of the identities, background and shareholding percentages of such other existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors" and "History, Development and Corporate Structure of the Target Group – Capitalization of the Target Company", respectively.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will only become exercisable 30 days and 12 months after Closing, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 38,271,250 Successor Company Shares will be issued, representing a maximum dilution impact of 2.74% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming no TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right. The Promoter Earn-out Right has been waived by the Promoters, and thus there will be no additional Shares that may be issued thereunder.

As of the date of this circular, the Target Company granted certain options and restricted share units to various grantees. See "Waivers from Strict Compliance with the Listing Rules – Waiver in Relation to the 2016 Share Incentive Plan" and "Appendix VII – Statutory And General Information – E. Employee Incentive Plans" for details. Upon exercise of all outstanding Target Company Options and vesting of Target Company RSUs under the Target Company's 2016 Share Incentive Plan, there will be a maximum dilution impact of 8.49% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming no TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right.

(b) Assuming full redemption of TechStar Class A Shares

Assuming (i) all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and/or exercise their Appraisal Right in full, (ii) no new share of the Target Company is issued before the Proposed De-SPAC Transaction, (iii) no exercise of any awards granted by the Target Company under its share incentive plan and no exercise of any Successor Company Warrants, and (iv) no Permitted Equity Financing occurs the expected shareholding and voting rights in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	**Number of shares**	**%[(1)]**
Existing Shareholders of the Target Company that will not count towards the public float		
High Altos Limited[(2)(5)]	62,446,921	5.00%
Phthalo Blue LLC[(2)(5)]	109,708,072	8.78%
Dr. Li Yimin[(2)(5)]	22,953,996	1.84%
Proxy Shareholders[(3)(5)]	14,165,256	1.13%
Enlightning Limited[(4)(5)]	14,645,721	1.17%
Existing Shareholders of the Target Company that will count towards the public float		
Honour Key Limited[(5)]	124,323,359	9.94%
Dahlia Investments PTE. LTD.[(5)]	65,512,810	5.24%
ERVC Technology IV LP[(5)]	57,012,983	4.56%
Banyan Partners Fund II, L.P.[(5)]	56,903,436	4.55%
Other existing Target Company Shareholders[(6)]	642,327,446	51.38%
PIPE Investors		
Huangshan Construction Investment Capital	38,750,000	3.10%
Wealth Strategy	15,600,000	1.25%
Zhuhai Hengqin Huagai	780,000	0.06%
TechStar Class A Shareholders	–	–
Promoters	25,000,000	2.00%
Total	**1,250,130,000**	**100.00%**

Notes:

(1) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

(2) Upon Closing, Dr. Bao and Dr. Li Yimin are executive directors of the Successor Company. High Altos Limited is wholly-owned by Dr. Bao, and Dr. Bao is the manager of Phthalo Blue LLC. Therefore, the Successor Company Shares held by Dr. Li Yimin, High Altos Limited and Phthalo Blue LLC will not be counted towards the public float.

(3) Various Proxy Shareholder(s) agreed to grant Dr. Bao the voting rights in respect of some or all of the Successor Company Shares held by them through the Voting Proxy Agreements, such that Dr. Bao is entitled to exercise in his sole discretion the voting rights with respect to 14,165,256 Successor Company Shares. Therefore, these Successor Company Shares will not be counted towards the public float.

(4) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested Target Company Options to specified participants under the 2016 Share Incentive Plan, which include participant who is a core connected person of the Target Company, namely Mr. Pu Xinghua (蒲興華), a director of certain of our major subsidiaries, who holds approximately 10.45% of the equity interests in Enlightning Limited. Therefore, the Successor Company Shares held by Enlightning Limited will not be counted towards the public float.

(5) For background of these existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors".

(6) This refers to other existing Target Company Shareholders whose holding will count towards the public float where none of them individually holds more than 4% in the shareholding of Successor Company immediately after the Closing. For details of the identities, background and shareholding percentages of such other existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors" and "History, Development and Corporate Structure of the Target Group – Capitalization of the Target Company", respectively.

(c) Assuming full redemption of TechStar Class A Shares, full exercise of the Successor Company Warrants and the Target Company Options and the full vesting of the Target Company RSUs

Assuming (i) all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and/or exercise their Appraisal Right in full, (ii) no new share of the Target Company is issued before the Proposed De-SPAC Transaction, (iii) full exercise of awards granted by the Target Company under its share incentive plan and full exercise of Successor Company Warrants, and (iv) no Permitted Equity Financing occurs the expected shareholding and voting rights in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	**Number of shares**	**%[(1)]**
Existing Shareholders of the Target Company that will not count towards the public float		
High Altos Limited[(2)(5)]	62,446,921	4.41%
Phthalo Blue LLC[(2)(5)]	109,708,072	7.76%
Dr. Li Yimin[(2)(5)]	22,953,996	1.62%
Proxy Shareholders[(3)(5)]	14,165,256	1.00%
Enlightning Limited[(4)(5)]	14,645,721	1.04%
Existing Shareholders of the Target Company that will count towards the public float		
Honour Key Limited[(5)]	124,323,359	8.79%
Dahlia Investments PTE. LTD.[(5)]	65,512,810	4.63%
ERVC Technology IV LP[(5)]	57,012,983	4.03%
Banyan Partners Fund II, L.P.[(5)]	56,903,436	4.02%
Other existing Target Company Shareholders[(6)]	642,327,446	45.41%

Shareholders of the Successor Company	Number of shares	%[(1)]
PIPE Investors		
Huangshan Construction Investment Capital	38,750,000	2.74%
Wealth Strategy	15,600,000	1.10%
Zhuhai Hengqin Huagai	780,000	0.06%
TechStar Class A Shareholders	0	0.00%
Promoters	25,000,000	1.77%
Successor Company Warrants[(7)]	38,271,250	2.71%
Target Company Options and Target Company RSUs[(8)]	126,186,418	8.92%
Total	**1,414,587,668**	**100.00%**

Notes:

(1) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

(2) Upon Closing, Dr. Bao and Dr. Li Yimin are executive directors of the Successor Company. High Altos Limited is wholly-owned by Dr. Bao, and Dr. Bao is the manager of Phthalo Blue LLC. Therefore, the Successor Company Shares held by Dr. Li Yimin, High Altos Limited and Phthalo Blue LLC will not be counted towards the public float.

(3) Various Proxy Shareholder(s) agreed to grant Dr. Bao the voting rights in respect of some or all of the Successor Company Shares held by them through the Voting Proxy Agreements, such that Dr. Bao is entitled to exercise in his sole discretion the voting rights with respect to 14,165,256 Successor Company Shares. Therefore, these Successor Company Shares will not be counted towards the public float.

(4) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested Target Company Options to specified participants under the 2016 Share Incentive Plan, which include participant who is a core connected person of the Target Company, namely Mr. Pu Xinghua (蒲興華), a director of certain of our major subsidiaries, who holds approximately 10.45% of the equity interests in Enlightning Limited. Therefore, the Successor Company Shares held by Enlightning Limited will not be counted towards the public float.

(5) For background of these existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors".

(6) This refers to other existing Target Company Shareholders whose holding will count towards the public float where none of them individually holds more than 4% in the shareholding of Successor Company immediately after the Closing. For details of the identities, background and shareholding percentages of such other existing Target Company Shareholders, see "History, Development and Corporate Structure of the Target Group – Information about the Pre-Listing Investors" and "History, Development and Corporate Structure of the Target Group – Capitalization of the Target Company", respectively.

(7) The Successor Company Listed Warrants and the Successor Company Promoter Warrants will only become exercisable 30 days and 12 months after Closing, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 38,271,250 Successor Company Shares will be issued, representing a maximum dilution impact of 2.71% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares.

(8) Upon exercise of all outstanding Target Company Options and vesting of Target Company RSUs under the 2016 Share Incentive Plan of the Target Company, there will be a maximum dilution impact of 8.92% in the shareholding and the voting rights in the Successor Company Shares immediately after Closing, assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares.

8. Public Float

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK$6,000,000,000 but not exceeding HK$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK$1,500,000,000 at the time of listing; and (ii) 15%.

Without taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants, based on (i) the Transaction Price of HK$10.0 per PIPE Investment Share, and (ii) 55,130,000 PIPE Investment Shares will be issued upon completion of the De-SPAC Transaction, it is expected that the market value of the Successor Company Shares at the time of Listing will be approximately HK$13.6 billion (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares), or approximately HK$12.5 billion (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares), respectively.

Taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants, based on (i) the Transaction Price of HK$10.0 per PIPE Investment Share, and (ii) 55,130,000 PIPE Investment Shares will be issued upon completion of the De-SPAC Transaction, it is expected that the market value of the Successor Company Shares at the time of Listing will be approximately HK$14.0 billion (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares), or approximately HK$12.9 billion (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares), respectively.

Accordingly, at least 15% of the total number of issued Successor Company Shares must be held by the public at the time of Listing.

Immediately after Closing, the Successor Company Shares held by the following persons will not be counted towards the public float:

(i) Phthalo Blue LLC, of which Bao Junwei, an executive director of the Successor Company, is the manager and therefore a close associate of Bao Junwei;

(ii) High Altos Limited, wholly-owned by Bao Junwei and therefore a close associate of Bao Junwei;

(iii) Li Yimin, who is an executive director of the Successor Company;

(iv) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested Target Company Options to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company, namely Mr. Pu Xinghua (蒲興華), a director of certain of our major subsidiaries, who holds approximately 10.45% of the equity interests in Enlightning Limited; and

(v) the 14,165,256 Successor Company Shares held by various Proxy Shareholder(s) which are subject to the Voting Proxy Agreements, pursuant to which Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to these Successor Company Shares.

Except as stated above, the existing shareholders of the Target Company, the PIPE Investors, the TechStar Class A Shareholders and the Promoters will not be core connected persons of the Successor Company and will not be accustomed to taking instructions from the core connected persons in relation to the acquisition, disposal, voting or other disposition of the Successor Company Shares held or to be allotted to them, therefore the Successor Company Shares held by them (save for such number of Successor Company Shares subject to the Voting Proxy Agreements stated in (v) above) will count towards the public float upon Closing.

Without taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants, based on the above, the public float of the Successor Company immediately after Closing will be 83.54% (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares), or 82.09% (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares).

Taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants, the public float of the Successor Company will be 83.99% (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares), or 82.62% (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares).

Accordingly, the Successor Company will satisfy the public float requirement under Rule 8.08 of the Listing Rules.

See "History, Development and Corporate Structure of the Target Group" in this circular for detail.

The Successor Company will comply with the minimum public float requirement under Rule 8.08 of the Listing Rules under any of or any combination of the scenarios involving issue of the Successor Company Shares.

FREE FLOAT

On the basis that (i) no Successor Company Shares will be allocated under the De-SPAC Transaction to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, (ii) all Successor Company Shares to be held by (a) the Single Largest Group of Shareholders (b) core connected persons of the Successor Company, (c) the Promoters, and (d) such certain existing Target Company Shareholders who has entered into the lock-up agreements, are excluded for the purpose of satisfying the free float requirement (assuming (i) no Permitted Equity Financing; (ii) full redemption of TechStar Class A Shares and (iii) full exercise of Appraisal Right by the relevant Target Company Shareholders), and based on the Transaction Price of HK$10.0 per PIPE Investment Share, upon completion of the De-SPAC Transaction, it is expected that 73,613,458 Successor Company Shares, with an expected market value at the time of listing of approximately HK$736.1 million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules. For identities of the existing Target Company Shareholders who has entered into the lock-up agreements, see "History, Development and Corporate Structure of the Target Group – Capitalization of the Target Company".

9. Liquidity of Successor Company Warrants

The ways in which the liquidity in the trading of the Successor Company Warrants following the listing of the Successor Company will be provided are as follows:

(i) **Smaller board lot size:** TechStar Warrants are traded in board lots of 55,000, whereas the Successor Company Listed Warrants will be traded in board lots of 11,000. The lower monetary value of each board lot as a result of the smaller board lot size will incentivize holders of Successor Company Listed Warrants to trade the Successor Company Listed Warrants more frequently which should result in greater trading liquidity in the Successor Company Listed Warrants.

(ii) **Broader investor base:** TechStar Warrants are only transferable to Professional Investors pursuant to the terms and conditions of TechStar Warrants, whereas, subject to the approval of the Amendment to the TechStar Listed Warrants, the Successor Company Warrants can be traded by all public investors including retail investors, thereby providing a broader investor base for the Successor Company Warrants.

(iii) **Cashless exercise feature:** The Successor Company Warrants will be exercisable on a cashless basis based on the terms thereof. Upon a cashless exercise of the Successor Company Warrants, warrantholders will surrender their Successor Company Warrants they elect to exercise, and will not be required to deliver payment to the Successor Company or otherwise pay any consideration in exchange for the issuance of the Successor Company Shares. The cashless exercise feature

will reduce the cash outlay required on holders of the Successor Company Warrants to convert their holdings into Successor Company Shares and increase the attractiveness of the Successor Company Warrants to public investors after the completion of the De-SPAC Transaction.

(iv) **Communication with holders of securities:** The Successor Company will maintain close communication with holders of its securities and make available all corporate communications (including this document and financial reports) in its investor relations website to keep investors abreast of the Successor Company's business development and financial condition and make use of the website as a channel to solicit and understand the views of shareholders and stakeholders, including potential investors. Such communication may enhance the interest in the securities of the Successor Company, including the Successor Company Warrants and the underlying Successor Company Shares upon exercise thereof.

For further information about the risks associated with the Successor Company Warrants, see "Risk Factors — Risks Related to the De-SPAC Transaction and the Securities of TechStar and the Successor Company."

J. EFFECTS OF THE DE-SPAC TRANSACTION ON THE ESCROW ACCOUNT

Pursuant to the terms of the Business Combination Agreement, funds available in the Escrow Account will be paid as soon as practicable after the Effective Time in the following order:

(a) first, all amounts payable in respect of the TechStar Shareholder Redemption Amount will be paid to holders of Redeeming TechStar Shares pursuant to their exercise of the Redemption Right following the Closing Date; and

(b) all remaining amounts then available in the Escrow Account (if any), will be paid to a segregated bank account designated by the Target Company and TechStar for immediate use to settle all accrued and unpaid fees and expenses paid or payable by TechStar or Promoters or the Target Company as a result of or in connection with the negotiation, documentation and consummation of the De-SPAC Transaction, including (i) all fees (including the deferred underwriting commission as defined in the Underwriting Agreement), costs, expenses, brokerage fees, commissions, finders' fees and disbursements of financial advisors, investment banks, data room administrators, attorneys, accountants and other advisors and service providers, as appointed by TechStar or Promoters, (ii) any indebtedness of TechStar owed to the Promoters, its affiliates or its or their respective shareholders or affiliates (including amounts accrued and outstanding under the loan facility as of the Closing) and (iii) any and all filing fees payable by the TechStar to the governmental authorities in connection with the De-SPAC Transaction, subject to the Business Combination Agreement and the Escrow Agreement.

Following the Effective Time, no TechStar Shareholder will be entitled to receive any amount from the Escrow Account except to the extent such shareholder shall have elected to tender its TechStar Class A Shares for redemption pursuant to the TechStar Shareholder Redemption. Following the payment of the amounts described in paragraph (a) and (b) above, any amount available in the Escrow Account (if any) will become assets of the Successor Company.

For the avoidance of doubt, the fair value of the TechStar Shares to be paid to Dissenting TechStar Shareholders upon the exercise of their Appraisal Right will be paid by the Successor Company from its own funds following the Effective Time and will not have any impact on the funds in the Escrow Account.

K. FINANCIAL EFFECTS OF THE DE-SPAC TRANSACTION

Upon Closing, TechStar will become a wholly-owned subsidiary of the Successor Company and the financial statements of TechStar will be consolidated into the financial statements of the Successor Group.

1. Net assets

For preparation of the unaudited pro forma consolidated statement of financial position of the Successor Group as set out in Appendix III to this circular, it is assumed that Closing took place on May 31, 2025. As at May 31, 2025, (i) the unaudited pro forma total assets of the Successor Group would be US$365.4 million (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and there is no Permitted Equity Financing) or US$226.5 million (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and there is no Permitted Equity Financing), compared with the unaudited total assets of TechStar of HK$1,125.1 million (equivalent to US$143.5 million) as at June 30, 2025, (ii) the unaudited pro forma total liabilities of the Successor Group would be US$181.5 million (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and there is no Permitted Equity Financing) or US$181.5 million (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and there is no Permitted Equity Financing), compared with the unaudited total liabilities of TechStar of HK$1,179.3 million (equivalent to US$150.4 million) as at June 30, 2025, and (iii) the unaudited pro forma net assets of the Successor Group would be US$183.9 million (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and there is no Permitted Equity Financing) or US$45.0 million (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and there is no Permitted Equity Financing), compared with the unaudited net liabilities of TechStar of HK$54.2 million (equivalent to US$6.9 million) as at May 31, 2025.

2. Earnings

For preparation of the unaudited pro forma consolidated statement of profit or loss of the Successor Group as set out in Appendix III to this circular, assuming that Closing took place on January 1, 2024, the unaudited pro forma net loss of the Successor Group for the year ended December 31, 2024 would be US$177.2 million (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and there is no Permitted Equity Financing) or US$160.8 million (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and there is no Permitted Equity Financing), compared with the net loss of TechStar of HK$99.9 million (equivalent to US$12.8 million) for the year ended December 31, 2024.

See "Appendix III – Unaudited Pro Forma Financial Information of the Successor Group" for further details in relation to the unaudited pro forma financial information of the Successor Group.

The above financial effects are for illustrative purpose only and do not purport to present the financial position or results of the Successor Group upon Closing.

3. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Successor Group

Please see "Appendix III – Unaudited Pro Forma Financial Information of the Successor Group – D. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Successor Group as at May 31, 2025" for details.

L. IMPLICATIONS OF THE DE-SPAC TRANSACTION UNDER THE LISTING RULES AND DEEMED NEW LISTING APPLICATION

TechStar is required to comply with applicable Listing Rules regarding reverse takeovers with respect to the De-SPAC Transaction. Under Rule 14.54 of the Listing Rules, the Successor Company will be treated as if it were a new listing applicant. The Target Group is required to meet the requirements under Rules 8.04 and 8.05 of the Listing Rules and the Successor Group is required to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules). The Successor Company is required to submit a new listing application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules.

The new listing application is subject to approval by the Listing Committee, which may or may not grant its approval. If such approval is not granted, the Business Combination Agreement will not become unconditional and the De-SPAC Transaction will not proceed.

The Successor Company has applied to the Stock Exchange, and the Stock Exchange has granted its permission, for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants on the Main Board of the Stock Exchange on the basis that it satisfies Rule 8.05(3) of the Listing Rules with reference to (i) the Target Group's revenue for the year ended December 31, 2024, which exceeds HK$500 million and (ii) the negotiated value of the Target Company in the De-SPAC Transaction of HK$11.7 billion. TechStar has made an application to the Stock Exchange, and the Stock Exchange has granted its permission, for the withdrawal of listing of the TechStar Class A Shares (which will be subject to approval by TechStar Class A Shareholders) and the TechStar Listed Warrants. Upon the Closing, the listing statuses of the TechStar Class A Shares and the TechStar Listed Warrants will be withdrawn, and the Successor Company Shares and the Successor Company Listed Warrants will become listed on the Main Board of the Stock Exchange.

The De-SPAC Transaction is conditional upon, and the terms of the Business Combination Agreement, the PIPE Investment Agreements and the Merger, the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants and the adoption of the TechStar Private Company Memorandum and Articles, are subject to approval by the TechStar Shareholders at the EGM and compliance with applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing), unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange.

M. WAIVER FROM APPLICATION OF RULE 26.1 OF THE TAKEOVERS CODE

Following the Merger and the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, TechStar will become a private unlisted company and a wholly-owned subsidiary of the Successor Company.

Under Rule 26.1 of the Takeovers Code, the De-SPAC Transaction would trigger a technical mandatory general offer obligations unless a waiver is granted.

The Target Company has applied for, and the SFC has granted a waiver from the application of Rule 26.1 of the Takeovers Code in relation to the De-SPAC Transaction.

N. SHARE REDEMPTIONS

Prior to the EGM to approve the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares for an amount per TechStar Class A Share equal to the Redemption Price, to be paid out of the monies held in the Escrow Account. The Redemption Price, payable in cash, will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including the gross proceeds received from the issuance of TechStar Class A Shares and interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. The Redemption Price will in any case be no less than HK$10.00 per TechStar Class A Share,

being the price at which the TechStar Class A Shares were issued in TechStar's initial offering. Accordingly, the Redemption Price will be determined on two Business Days prior to the EGM. TechStar will publish an announcement on the Redemption Price as soon as practicable after it has been determined.

Immediately prior to the Effective Time, the Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue, such that immediately after the conversion of Target Company Preferred Shares and the Capitalization Issue, the issued and outstanding share capital of the Target Company will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the negotiated value by HK$10.00.

The estimated Redemption Price will be no less than 10% premium to HK$10.00. To disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction, the Relevant TechStar Class A Shareholders is entitled to receive the Bonus Shares, being the additional one tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them.

As of the Latest Practicable Date, the estimated Redemption Price is HK$11.25 per TechStar Class A Shares. TechStar expects that there will be no significant income, expenses and taxes that are expected to be generated or incurred from the Latest Practicable Date to the date of determining the final Redemption Price.

There is no limit on the number of TechStar Class A Shares which an TechStar Class A Shareholder (alone or together with their close associates) may redeem. TechStar Class A Shareholders may elect to redeem their TechStar Class A Shares irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

The election period for the Share Redemption starts on the date of the notice of the EGM and ends on the date and time of commencement of the EGM. The Share Redemption and payment of the Redemption Price to the Redeeming TechStar Shareholders will be completed as promptly as reasonably practicable following the Closing in accordance with the Business Combination Agreement but in any event within five Business Days following Closing.

A Share Redemption election will not be accepted unless the election is accompanied by the delivery of the relevant number of TechStar Class A Shares. Details of the election procedures for the Share Redemption are set out in "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right". The form of election will be dispatched to TechStar Class A Shareholders together with the notice of EGM and the Circular.

If the De-SPAC Transaction is not completed, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. Redeeming TechStar Shareholders are strongly recommended to vote FOR the resolution to be proposed at the EGM even if you choose to redeem all or some of TechStar Class A Shares.

TechStar Warrantholders have no redemption rights with respect to their warrants. Each TechStar Warrant will be exchanged for one Successor Company Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Share per Successor Company Warrant at the warrant exercise price of HK$11.5.

Redeeming TechStar Shareholders who exercise their Redemption Right to redeem all of their holdings of TechStar Class A Shares will not be able to exercise their Appraisal Right. See "O. Appraisal Right of Dissenting TechStar Shareholders" below for details on the Appraisal Right.

O. APPRAISAL RIGHT OF DISSENTING TECHSTAR SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting TechStar Shareholders to be paid the fair value of their Dissenting TechStar Shares, subject to limitations under Section 239 of the Cayman Companies Act.

TechStar Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. TechStar Shareholders may exercise their Appraisal Right irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

1. Procedures for exercising the Appraisal Right

TechStar Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act as set out in "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders."

2. Fair Value of TechStar Shares

The TechStar Board has determined that the Redemption Price represents the fair value of the TechStar Shares. See "— N. Share Redemption" above for details on the determination of the Redemption Price. If the Dissenting TechStar Shareholders do not agree with the fair value determined by the TechStar Board and file a petition with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares, the Cayman Court will determine the fair value of the Dissenting TechStar Shares as at the date of the EGM at which the Merger is approved.

3. Consequences of Exercising the Appraisal Right

Under the Cayman Companies Act, upon giving the Appraisal Right Exercise Notice, the Dissenting TechStar Shareholder will cease to have any right as an TechStar Shareholder (including the Redemption Right to redeem all or part of their holdings of TechStar Class A Shares) except the Appraisal Right, the right under Section 238(12) of the Cayman Companies Act to participate fully in all proceedings until the determination of fair value is reached and the right under Section 238(16) of the Cayman Companies Act to institute proceedings to obtain relief on the ground that the Merger is void or unlawful.

Pursuant to the Business Combination Agreement, Dissenting TechStar Shareholders will also have no right to receive any Successor Company Shares or any other consideration under the De-SPAC Transaction unless and until such Dissenting TechStar Shareholder fails to exercise or who effectively withdraws or otherwise loses its Appraisal Right pursuant to Section 238 of the Cayman Companies Act. The TechStar Shares held by such Dissenting TechStar Shareholders will cease to be Dissenting TechStar Shares and will be deemed to have been converted into the right to receive newly issued Successor Company Shares immediately following the Merger Effective Time pursuant to the Business Combination Agreement. Such Dissenting TechStar Shareholder will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

Listing Rule 10.08 provides that no further shares or securities convertible into equity securities of a listed issuer (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of a listed issuer first commence dealing on the Stock Exchange. One of the exceptions to Listing Rule 10.08 is the issue of shares or securities pursuant to an agreement entered into before the commencement of dealing, the material terms of which have been disclosed in the listing document issued in connection with the initial public offering. As the issuance of Successor Company Shares to Dissenting TechStar Shareholders who fail to perfect in accordance with the prescribed statutory procedure or withdraw or otherwise lose their Appraisal Right under the Cayman Companies Act, if any, will be pursuant to the Business Combination Agreement the material terms of which have been disclosed in this circular (which is the listing document of the Successor Company), Successor Company Shares may be issued to such Dissenting TechStar Shareholders within six months from the Closing Date.

Notwithstanding any exercise of the Appraisal Right by Dissenting TechStar Shareholders, upon the approval of the Merger and the De-SPAC Transaction by the TechStar Shareholders at the EGM, the TechStar Plan of Merger will be filed with the Cayman Registrar and the Merger will become effective at the Merger Effective Time.

If the De-SPAC Transaction is not completed for any reason, Dissenting TechStar Shareholders will lose their Appraisal Right under the Cayman Companies Act and any notice to exercise the Appraisal Right given by Dissenting TechStar Shareholders will become void.

The TechStar Board recommends that TechStar Class A Shareholders (i) opt for the right to receive Successor Company Shares (by not electing to exercise their Share Redemption Right or Appraisal Right) or (ii) if an TechStar Class A Shareholder's preference is to receive cash rather than Successor Company Shares, to exercise their Share Redemption Right due to the certainty provided by the redemption process compared to the dissenting and fair value appraisal process.

See "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders" in this circular for further details of the Appraisal Right. TechStar Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the appraisal rights under the Cayman Companies Act.

P. PROPOSED ADOPTION OF TECHSTAR PRIVATE COMPANY MEMORANDUM AND ARTICLES

Following the Merger and the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, TechStar will become a private unlisted company and a wholly-owned subsidiary of the Successor Company. TechStar Shareholders (excluding the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company (which is bound by the Successor Company Memorandum and Articles as summarized in "Appendix V – Summary of the Constitution of the Successor Company and Cayman Islands Company Law – 2. Articles of Association") upon Closing. As such, the existing Articles of Association of TechStar will no longer be suitable for it being a private company and wholly-owned subsidiary of the Successor Company after the Merger. Subject to the approval by TechStar Shareholders at the EGM, upon the Merger Effective Time, TechStar proposes to adopt the TechStar Private Company Memorandum and Articles which will replace the existing TechStar Articles in their entirety. A summary of the TechStar Private Company Memorandum and Articles is set out in "Appendix VI – Summary of the Private Company Memorandum and Articles of TechStar" in this circular.

Pursuant to the existing Articles of Association of Techstar, the adoption of the TechStar Private Company Memorandum and Articles, which will become effective upon the Merger Effective Time, shall be approved by special resolution by the existing TechStar Shareholders. Therefore, the TechStar Directors recommend the TechStar Shareholders to vote in favor of the special resolution to be proposed at the EGM to approve the adoption of the TechStar Private Company Memorandum and Articles.

Q. EGM AND VOTING

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, are subject to approval of the TechStar Shareholders at the EGM by ordinary resolutions.

The Merger is subject to approval by special resolution of two-thirds of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM and the adoption of the TechStar Private Company Memorandum and Articles by TechStar is subject to approval by special resolutions of three-fourths of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM. As the Merger forms part of the De-SPAC Transaction, in the event that the Merger or the adoption of the TechStar Private Company Memorandum and Articles by TechStar is not approved by the TechStar Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

A notice convening the EGM to be held at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, December 1, 2025 at 9:00 a.m., is set out on pages EGM-1 to EGM-4 of this circular.

Pursuant to the Listing Rules and the TechStar Articles, any vote of shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the EGM will be voted by way of poll by the TechStar Shareholders. An announcement on the poll results will be published by TechStar after the EGM in the manner prescribed under the Listing Rules.

The Promoters and their respective close associates and any TechStar Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM. The Promoters (who will be issued Successor Company Shares upon the TechStar Class B Conversion and Closing) and Wealth Strategy (which is a PIPE Investor and holder of certain TechStar Class A Shares) will be required to abstain and will procure their respective close associates to abstain from voting on resolution 1 as set out in the notice of the EGM with respect to the De-SPAC Transaction and the transactions contemplated thereunder. As at the date of this circular, the Promoters are interested in 25,000,000 TechStar Class B Shares (which represent approximately 19.98% of the issued shares of TechStar and 100% of the issued TechStar Class B Shares) and Wealth Strategy is interested in 30,910,000 TechStar Class A Shares (which represent approximately 24.71% of the issued shares of TechStar and 30.88% of the issued TechStar Class A Shares). Save for the foregoing, to the best knowledge of the TechStar Directors, as at the date of this circular, no other TechStar Shareholders and their close associates will be required to abstain from voting on the resolutions at the EGM.

The forms of proxy for use at the EGM are enclosed with this circular and published on the websites of the Stock Exchange at **www.hkexnews.hk** and TechStar at **www.TechStaracq.com**. Whether or not you intend to attend the EGM, if you are a registered TechStar Shareholder, you are requested to complete and sign the enclosed forms of proxy in accordance with the instructions printed thereon and return it to TechStar's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 9:00 a.m. on Saturday, November 29, 2025) or any adjournment thereof (as the case may be).

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM if you so wish. If you are a beneficial owner whose TechStar Class A Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a HKSCC participant regarding voting instructions to be given to such persons.

R. RECOMMENDATION

Having taken into account the reasons for and benefits of the De-SPAC Transaction as set out in "E. Reasons for, and Benefits of, the De-SPAC Transaction" above, the TechStar Directors consider that the terms of the De-SPAC Transaction and the transactions contemplated thereunder (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles are fair and reasonable and in the interests of the TechStar Shareholders as a whole.

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders at the EGM or completed for any reason, (i) TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and (ii) subject to the deadlines under the Listing Rules, the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained; **however**, TechStar will not have sufficient time to identify another de-SPAC target and negotiate a de-SPAC transaction before it is required to be delisted by the Stock Exchange as provided for in the Listing Rules.

Accordingly, the TechStar Directors recommend the TechStar Shareholders to vote "FOR" in favor of the resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles by TechStar EVEN IF you intend to elect to redeem some or all of your TechStar Class A Shares.

Interests of TechStar Directors in the De-SPAC Transaction

Mr. NI Zhengdong, Mr. LI Zhu and Mr. LAU Wai Kit (who are TechStar Directors and also Individual Promoters who will be issued Successor Company Shares upon the TechStar Class B Conversion and Closing) abstained from voting on the relevant resolutions of the TechStar Board approving the De-SPAC Transaction.

Save as disclosed above, none of the TechStar Directors had a material interest in the De-SPAC Transaction and the transactions contemplated thereunder and no TechStar Director has abstained from voting on the relevant resolutions of the TechStar Board.

TechStar Directors who are Individual Promoters have certain interests which are different from, or in addition to, those of TechStar Class A Shareholders, the details of which are set out in "Risk Factors – The Promoters' economic interests or other conflicts of interest may incentivize them to complete the De-SPAC Transaction which may not be in the best interests of TechStar Shareholders." In considering the recommendation of the TechStar Board to vote in favor of the De-SPAC Transaction and other resolutions at the EGM, TechStar Shareholders should consider these interests.

S. CONSEQUENCES IF THE DE-SPAC TRANSACTION IS NOT APPROVED

If the De-SPAC Transaction is not approved by TechStar Class A Shareholder, Closing does not occur or the De-SPAC Transaction does not comply with the applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing, unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange), it is intended that (i) TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and (ii) the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained, subject to the scenarios below however, TechStar will not have sufficient time to identify another De-SPAC target and negotiate a De-SPAC transaction before it is required to be delisted by the Stock Exchange as provided for in the Listing Rules.

Pursuant to the Listing Rules and the TechStar Articles, if:

(i) TechStar is unable to (a) publish an announcement of the terms of a De-SPAC Transaction by December 22, 2024, being 24 months from the date of listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange, or (b) complete a De-SPAC transaction by December 22, 2025, being 36 months from the date of listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange, unless an extension is approved by an ordinary resolution of the TechStar Class A Shareholders and granted by the Stock Exchange; or

(ii) TechStar fails to obtain the requisite approvals in respect of the continuation of TechStar following a material change in the Promoters or TechStar Directors as provided for in the Listing Rules,

(a) TechStar will cease all operations except for the purpose of winding up pursuant to requirements under the TechStar Articles; (b) trading of the TechStar Class A Shares and the TechStar Listed Warrants will be suspended; (c) as promptly as reasonably possible but no more than one month after the date that trading in the TechStar Class A Shares is suspended, TechStar will redeem the TechStar Class A Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Escrow Account (including interest and other income earned on the funds held in the escrow account of TechStar), divided by the number of then issued and outstanding TechStar Class A Shares on a pro rata basis (provided that the redemption price per TechStar Class A Share must not be less than HK$10.00), such redemption will completely extinguish the rights of the holders of the TechStar Class A Shares as TechStar Shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law; and (d) as promptly as reasonably possible following such redemption, subject to the approval of remaining TechStar Shareholders and the TechStar Board, TechStar will be liquidated and dissolved, subject, in the case of paragraphs (c) and (d), to TechStar's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law and the Promoter Agreement.

In all circumstances, TechStar Class A Shareholders will be paid no less than HK$10.00 per Share Redemption.

There will be no redemption rights or liquidating distributions with respect to the TechStar Warrants, which will expire worthless if we fail to announce a De-SPAC Transaction within such 24 month period or complete the De-SPAC Transaction within such 36 month period (or within the extension period if any) from the date of listing of TechStar Class A Shares or if we fail to obtain the requisite approvals in respect of the continuation of TechStar following a material change in the Promoters or the TechStar Directors as provided for in the Listing Rules.

The Promoters have irrevocably agreed to waive their rights, title, interest or claims of any kind in or to any money in the escrow account of TechStar in all circumstances, including their rights to liquidating distributions from the escrow account of TechStar with respect to their TechStar Class B Shares.

For consequences on the Share Redemption and the Appraisal Right if the De-SPAC Transaction is not completed for any reason, see "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right – 5. Consequences if the De-SPAC Transaction is not approved or completed" and "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders – 3. Consequences of exercising the Appraisal Right".

T. ACTIONS TO BE TAKEN AND FURTHER INFORMATION

Your attention is drawn to "Important Notice to TechStar Shareholders and Actions to be Taken" for details of actions which you should take as an TechStar Shareholder or a Beneficial Owner whose TechStar Class A Shares are held by a Registered Shareholder or deposited in CCASS in relation to the EGM.

Your attention is also drawn to other sections of and appendices to this circular, which contain further information on the De-SPAC Transaction, the Target Group and the Successor Group and other information required to be disclosed under the Listing Rules.

By order of the TechStar Board
TechStar Acquisition Corporation
NI Zhengdong
Chairman of the TechStar Board

A. ACTIONS TO BE TAKEN

1. Actions to be taken by the TechStar Shareholders

A form of proxy for use at the EGM is enclosed with copies of this circular sent to the Registered Shareholders.

Whether or not you are able to attend the EGM, you are strongly urged to complete and sign the enclosed form of proxy in respect of the EGM, in accordance with the instructions printed on them, and to lodge them at TechStar's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 9:00 a.m. on Saturday, November 29, 2025) or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM if you so wish. In such event, the returned form of proxy for the EGM will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the EGM, you will still be bound by the outcome of the EGM. You are therefore strongly urged to attend and vote at the EGM in person or by proxy.

For the purpose of determining the entitlements of TechStar Class A Shareholders to attend and vote at the EGM, the register of members of TechStar will be closed from Thursday, November 27, 2025 to Monday, December 1, 2025 (both days inclusive) and, during such period, no transfer of TechStar Shares will be effected. In order to qualify to vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with TechStar's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, November 26, 2025.

An announcement will be made by TechStar in relation to the results of the EGM and, if all the resolutions are passed at the EGM and all relevant conditions precedents for the De-SPAC Transaction are fulfilled or waived, where applicable, further announcement(s) will be made in relation to, among other things, the Closing Date and withdrawal of the listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange.

Voting at the EGM will be taken by poll.

2. Actions to be taken by Beneficial Owners whose TechStar Shares are held by a Registered Shareholder

No person shall be recognized by TechStar as holding any TechStar Shares on trust.

If you are a Beneficial Owner whose TechStar Shares are registered in the name of a nominee, trustee, depositary or any other authorized custodian or third party, you should contact such Registered Shareholder to give instructions to and/or to make arrangements with such Registered Shareholder as to the manner in which the TechStar Shares beneficially owned by you should be voted at the EGM.

If you are a Beneficial Owner who wishes to attend the EGM personally, you should: (a) contact the Registered Shareholder directly to make the appropriate arrangements with the Registered Shareholder to enable you to attend and vote at the EGM and, for such purpose, the Registered Shareholders may appoint you as its proxy; or (b) arrange for some or all of the TechStar Shares registered in the name of the Registered Shareholder to be transferred into your own name.

The appointment of a proxy by the Registered Shareholder at the EGM must be made in accordance with all relevant provisions in the TechStar Articles. In the case of the appointment of a proxy by the Registered Shareholder, the relevant forms of proxy must be completed and signed by the Registered Shareholder and should be lodged in the manner and before the latest time for lodging the relevant forms of proxy as described in this circular. The completion and return of a form of proxy for the EGM will not preclude the Registered Shareholder from attending and voting in person at the EGM. In such event, the returned form of proxy will be deemed to have been revoked.

Instructions to and/or arrangements with the Registered Shareholder should be given or made in advance of the relevant latest time for the lodgment of the forms of proxy in respect of the EGM in order to provide the Registered Shareholder with sufficient time to complete his/her/its forms of proxy accurately and to lodge them by the deadline. To the extent that any Registered Shareholder requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgment of the forms of proxy in respect of the EGM, then any such Beneficial Owner should comply with the requirements of such Registered Shareholder.

3. Actions to be taken by Beneficial Owners whose TechStar Shares are deposited in CCASS

If you are a Beneficial Owner whose TechStar Class A Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such TechStar Class A Shares with, a HKSCC participant regarding voting instructions to be given to such persons.

The procedure for voting by HKSCC participants and Investor participants with respect to TechStar Class A Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the "Operating Guide for Investor Participants", the "General Rules of HKSCC" and the "HKSCC Operational Procedures" in effect from time to time.

4. Exercise Your Right to Vote

If you are an TechStar Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or to give instructions to the relevant Registered Shareholder to vote in person or by proxy at the EGM. If you keep any TechStar Class A Shares in a share lending program, you are urged to recall any outstanding TechStar Class A Shares on loan to avoid market participants using borrowed stock to vote.

In respect of TechStar Class A Shares of which you are the Beneficial Owner and which are deposited in CCASS, you are encouraged to contact your broker, custodian, nominee or other relevant person regarding voting instructions in relation to the manner in which those TechStar Class A Shares should be voted at the EGM without delay.

If you are a Registered Shareholder holding Shares on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

B. TECHSTAR REDEMPTION RIGHT

Prior to the EGM to approve the De-SPAC Transaction, TechStar Class A Shareholders will have the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares for an amount per TechStar Class A Share equal to the Redemption Price to be paid out of the monies held in the Escrow Account.

There is no limit on the number of TechStar Class A Shares which an TechStar Class A Shareholder (alone or together with their close associates) may redeem. TechStar Class A Shareholders may elect to redeem their TechStar Class A Shares irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

Each Redeeming TechStar Share issued and outstanding immediately prior to the Effective Time will automatically be canceled and cease to exist and will thereafter represent only the right to be paid the Redemption Price in accordance with the TechStar Articles. TechStar Class A Shareholders who elect to redeem all or part of their TechStar Class A Shares will not have any right to receive Successor Company Shares in exchange for the Redeeming TechStar Shares. TechStar Class A Shareholders who elect to redeem all of their TechStar Class A Shares will also not be able to exercise their Appraisal Right. See "– D. Appraisal Right of Dissenting TechStar Shareholders" below for details on the Appraisal Right.

TechStar Class A Shareholders who wish to receive Successor Company Shares in exchange for their entire holdings of TechStar Class A Shares should not complete and return the Share Redemption Election Form. See "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 1. Exchange of TechStar Class A Shares for Successor Company Shares" for details of the procedures by which Successor Company Shares will be issued.

1. Redemption Price

The Redemption Price, payable in cash, will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including the gross proceeds received from the issuance of TechStar Class A Shares and interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. The Redemption Price will in any case be no less than HK$10.00 per TechStar Class A Share, being the price at which the TechStar Class A Shares were issued in TechStar's initial offering. The Redemption Price is expected to be determined on or around two Business Days prior to the EGM. TechStar will publish an announcement on the Redemption Price as soon as practicable after it has been determined.

If, at the time the redemption payment is calculated, there is interest or other income in the Escrow Account, TechStar Class A Shareholders will be entitled to a pro rata share of such amounts. This would have the effect of increasing the per-share Redemption Price to an amount higher than HK$10.00.

As of the Latest Practicable Date, the estimated Redemption Price is HK$11.25 per TechStar Class A Shares. TechStar expects that there will be no significant income, expenses and taxes that are expected to be generated or incurred from the Latest Practicable Date to the date of determining the final Redemption Price.

2. Share Redemption Election Period

The Share Redemption Election Period starts on Wednesday, November 12, 2025, being the date of the notice of the EGM and ends on Monday, December 1, 2025 at 9:00 a.m., being the date and time of commencement of the EGM.

3. Procedure to elect for Share Redemption

Registered Shareholders

A Share Redemption election will not be accepted unless the duly completed and executed Share Redemption Election Form is accompanied by the delivery of the share certificate(s) representing the relevant number of TechStar Class A Shares to the TechStar's Hong Kong Share Registrar by the end of the Share Redemption Election Period. The Share Redemption Election Form is dispatched to TechStar Class A Shareholders together with the notice of EGM and this circular.

TechStar Class A Shareholders who are Registered Shareholders and who wish to exercise their Share Redemption Right and HKSCC Nominees (who may make elections in respect of the TechStar Class A Shares held by it on behalf of the relevant Beneficial Owners) must:

(a) complete the Share Redemption Election Form in accordance with the instructions printed thereon (and, in the case of joint holders, signed by all the joint holders to which it relates, and in the case of a holder or a joint holder which is a body corporate, signed on its behalf by one of its directors or a duly authorized signatory) in respect of part or all of their TechStar Class A Shares registered in their names; and

(b) return the duly completed and executed Share Redemption Election Form together with the share certificates of the relevant Redeeming TechStar Shares to the TechStar's Hong Kong Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong during the Share Redemption Election Period but in any event so as to reach the above address by not later than 9:00 a.m. on Monday, December 1, 2025, being the end of the Share Redemption Election Period, or such later date and time as may be notified by announcement published on the websites of the Stock Exchange at www.hkexnews.hk and TechStar at www.TechStaracq.com.

The Share Redemption Election Form will only be valid if, among others, the relevant TechStar Class A Shareholder duly completing and delivering it in accordance with the instructions therein is a Registered Shareholder as at the end of the Share Redemption Election Period.

No acknowledgement of receipt of any Share Redemption Election Form will be given.

A Share Redemption Election Form which is completed and returned may only be amended, withdrawn or revoked pursuant to the procedures described below before or by the end of the Share Redemption Election Period. TechStar reserves the right to reject any Share Redemption Election Form which it determines to not be duly completed or executed in accordance with the instructions therein, or containing inaccurate, incorrect, invalid or incomplete information or illegible writing, or otherwise not valid in accordance with the terms of the Share Redemption Right as set out in this circular or the Listing Rules. In that case, the relevant Redeeming TechStar Shareholder will receive the Successor Company Shares (but not the Redemption Price) in respect of its entire holding of TechStar Class A Shares held as of immediately prior to the Effective Time. None of TechStar, the Successor Company or the TechStar's Hong Kong Share Registrar is obliged to return the Share Redemption Election Form to such Redeeming TechStar Shareholder or give notice to any Redeeming TechStar Shareholder of the rejection of any Share Redemption Election Form and each of them hereby disclaims any and all liabilities arising from not giving such notification.

Save in the case of HKSCC Nominees, any TechStar Class A Shareholder who holds TechStar Class A Shares as a nominee, trustee or registered shareholder in any other capacity will not be treated differently from any other Registered Shareholder. A Beneficial Owner whose TechStar Class A Shares are registered in the name of a Registered Shareholder and who wishes to exercise the Share Redemption Right should contact such Registered Shareholder to give instructions to and to make arrangements with such Registered Shareholder as to the election.

For the avoidance of doubt, the Share Redemption Election Form is not for use as a form of proxy or otherwise at the EGM. The form of proxy must be used for the purpose of voting on the relevant resolutions to approve the De-SPAC Transaction at the EGM.

TechStar Class A Shareholders who have sold or transferred all of their TechStar Class A Shares should at once hand this circular and the accompanying form of proxy and the Share Redemption Election Form to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee. Copies of the Share Redemption Election Form can also be obtained from the TechStar's Hong Kong Share Registrar during usual business hours on any day (other than Saturdays, Sundays or statutory holidays in Hong Kong) until the end of the Share Redemption Election Period.

Beneficial Owners

Any Beneficial Owner whose TechStar Class A Shares are deposited in CCASS and registered in the name of HKSCC Nominees who wishes to exercise the Share Redemption Right must, unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor participant, contact its broker, custodian, nominee or other relevant person who is, or has in turn deposited such TechStar Class A Shares with, a HKSCC participant as soon as possible regarding how and the deadline for giving instructions to exercise the Share Redemption Right.

Amendment, Withdrawal or Revocation of Redemption Election

Any request for redemption, once made by a Redeeming TechStar Shareholder, may be withdrawn at any time up to the end of the Share Redemption Election Period at the time of commencement of the EGM.

Redeeming TechStar Shareholders who are Registered Shareholders may make an amendment, withdrawal or revocation request by contacting TechStar's Hong Kong Share Registrar. If a Redeeming TechStar Shareholder has returned its TechStar Class A Share certificate (if any) together with the Share Redemption Election Form to the TechStar's Hong Kong Share Registrar and later decides prior to the end of the Share Redemption Election Period not to exercise the Share Redemption Right, such Redeeming TechStar Shareholder may request that the TechStar's Hong Kong Share Registrar return the relevant TechStar Class A Share certificate(s).

Any Beneficial Owner whose TechStar Class A Shares are deposited in CCASS and registered in the name of HKSCC Nominees who wishes to amend, withdraw or revoke its instructions to exercise its Share Redemption Right must, unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor participant, contact its broker, custodian, nominee or other relevant person who is, or has in turn deposited such TechStar Class A Shares with, a HKSCC participant as soon as possible.

4. Payment of Redemption Price

Subject to Closing having occurred, payment of the Redemption Price is expected to be made on the Closing Date and in any case within five business days following the Closing. On the basis that Closing Date is on Wednesday, December 10, 2025, payment of the Redemption Price will be made on or before Wednesday, December 17, 2025.

Pursuant to the terms of the Escrow Agreement, the Trustee will make payment of the Redemption Price as follows:

(a) **for Redeeming TechStar Shareholders who are Registered Shareholders as at the end of the Share Redemption Election Period:** the amount equal to the Redemption Price multiplied by the number of Redeeming TechStar Shares which the relevant Redeeming TechStar Shareholder validly elected to exercise the Share Redemption Right for will be transferred to the bank account specified by the relevant Redeeming TechStar Shareholder; and

(b) **for Redeeming TechStar Shareholders who are Beneficial Owners whose Redeeming TechStar Shares are deposited in CCASS and registered under the name of HKSCC Nominees as at the end of the Share Redemption Election Period:** the amount equal to the Redemption Price multiplied by the number of Redeeming TechStar Shares which the relevant Beneficial Owners validly elected to exercise the Share Redemption Right for will be transferred to HKSCC Nominee's bank account and upon receipt, HKSCC Nominees arrange for the relevant Redemption Price amount to be credited to the designated bank accounts of the relevant HKSCC participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

In accordance with the Listing Rules, the Share Redemption and payment of the Redemption Price to the Redeeming TechStar Shareholders will be completed within five Business Days following Closing.

5. Consequences if the De-SPAC Transaction is not approved or completed

If the De-SPAC Transaction is not approved or completed for any reason, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. In this case, TechStar will make an announcement on the website of the Stock Exchange and arrange for the TechStar's Hong Kong Share Registrar to promptly return any share certificate(s) delivered by Redeeming TechStar Shareholder(s).

TechStar Class A Shareholders will only be able to exercise redemption rights in connection with an extraordinary general meeting to (i) approve another de-SPAC transaction, (ii) modify the timing of TechStar's obligation to announce a de-SPAC transaction within 24 months of the initial listing date on December 23, 2022 or complete a de-SPAC transaction within 36 months of the listing date on December 23, 2022, or (iii) approve the continuation of TechStar following a material change in the Promoters or TechStar Directors as provided for in the Listing Rules.

6. Promoters' TechStar Class B Shares

Pursuant to the Promoter Agreement and the Promoter Lock-Up Agreement, the Promoters have agreed to (i) waive their rights, title, interest or claims of any kind in or to any money in the Escrow Account in all circumstances, including their rights to liquidating distributions from the Escrow Account with respect to their TechStar Class B Shares; and (ii) waive their redemption rights with respect to their TechStar Shares in connection with the De-SPAC Transaction.

7. TechStar Warrantholders

TechStar Warrantholders have no redemption rights with respect to their warrants. Each TechStar Listed Warrant will be exchanged for one Successor Company Listed Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Share per Successor Company Listed Warrant at the warrant exercise price of HK$11.5.

See "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 2. Exchange of TechStar Listed Warrants for Successor Company Listed Warrants" for details of the procedures by which Successor Company Listed Warrants will be issued.

C. THE EGM

The EGM will be held for the purpose of considering and, if thought fit, approve, the De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants, the Merger and the adoption of the TechStar Private Company Memorandum and Articles.

The notice convening the EGM to be held at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong at 9:00 a.m. on Monday, December 1, 2025, are set out on pages EGM-1 to EGM-4 of this circular.

If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above, or Extreme Conditions is/are in force in Hong Kong at or before 7:00 a.m. on Monday, December 1, 2025, the EGM will not be held on that day but will be automatically postponed. TechStar Shareholders may visit TechStar's website at www.TechStaracq.com for details of the postponement and alternative meeting arrangements.

The Promoters (being the holders of all TechStar Class B Shares) and Wealth Strategy (being one of the PIPE Investors and holders of certain TechStar Class A Shares) will, among others, abstain from voting on the ordinary resolution to approve the De-SPAC Transaction at the EGM. As at the date of this circular, the Promoters are interested in 25,000,000 TechStar Class B Shares (which represent approximately 19.98% of the issued shares of TechStar and 100% of the issued TechStar Class B Shares) and Wealth Strategy is interested in 30,910,000 TechStar Class A Shares (which represent approximately 24.71% of the issued shares of TechStar and 30.88% of the issued TechStar Class A Shares).

D. APPRAISAL RIGHT OF DISSENTING TECHSTAR SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting TechStar Shareholders to be paid the fair value of their Dissenting TechStar Shares, subject to limitations under Section 239 of the Cayman Companies Act.

TechStar Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. TechStar Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act as further explained below.

As explained in "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (e) Merger consideration", immediately following the Merger Effective Time, among others, (i) TechStar Class A Shareholders (excluding the holders of TechStar Class A Shares issued in connection with the TechStar Class B Conversion, the Redeeming TechStar Shareholders and the Dissenting TechStar Shareholders) will have the right to receive 1.10 newly issued Successor Company Share for every TechStar Class A Share they held immediately prior to the Merger Effective Time and holders of TechStar Class A Shares issued in connection with the TechStar Class B Conversion will have the right to receive one newly issued Successor Company Share for every TechStar Class A Share they held immediately prior to the Merger Effective Time, (ii) Redeeming TechStar Shareholders will have the right to receive the Redemption Price, and (iii) Dissenting TechStar Shareholders will have the right to receive the fair value of the Dissenting TechStar Shares and such other rights pursuant to Section 238 of the Cayman Companies Act. Dissenting TechStar Shareholders who validly exercise their Appraisal Right will lose their Share Redemption Right, and Redeeming TechStar Shareholders who exercise their Share Redemption Right will not be able to exercise their Appraisal Right.

The TechStar Board recommends that TechStar Class A Shareholders (i) opt for the right to receive Successor Company Shares (by not electing to exercise their Share Redemption Right or Appraisal Right) or (ii) if an TechStar Class A Shareholder's preference is to receive cash rather than Successor Company Shares, to exercise their Share Redemption Right due to the certainty provided by the redemption process compared to the dissenting and fair value appraisal process.

1. Procedures for exercising the Appraisal Right

Procedures under Cayman Companies Act

The statutory procedures prescribed in the Cayman Companies Act for exercise of the Appraisal Right are as follows:

(a) A Dissenting TechStar Shareholder should give a written objection to TechStar before the EGM, containing a statement that it proposes to object to the Merger and demands payment of the fair value of its TechStar Shares if the Merger is approved by the TechStar Shareholders at the EGM (a "**Written Objection**"). For the avoidance of doubt, the giving of a Written Objection does not represent a vote at the EGM. TechStar Shareholders may vote for or against the De-SPAC Transaction at the EGM irrespective of whether they wish to exercise their Appraisal Right and are not required to vote against the De-SPAC Transaction at the EGM in order to exercise their Appraisal Right.

(b) Upon receipt of the Written Objection and within 20 days immediately following the EGM, TechStar shall give written notice of the approval of the Merger (if it is so approved at the EGM) to each Dissenting TechStar Shareholder who gave a Written Objection.

(c) Within 20 days immediately following the date on which the written notice of the approval of the Merger is given (the "**Dissenting Period**"), each Dissenting TechStar Shareholder must give TechStar a written notice of its decision to dissent ("**Appraisal Right Exercise Notice**"), stating (i) its name and address, (ii) the number and classes of TechStar Shares in respect of which it dissents, and (iii) a demand for payment of the fair value of its TechStar Shares. A Dissenting TechStar Shareholder must dissent and exercise its Appraisal Right in respect of all (and not part only) of its holding of TechStar Shares.

(d) Within seven days immediately following the date of expiration of the Dissenting Period or within seven days immediately following the date on which the TechStar Plan of Merger is filed with the Cayman Registrar, whichever is later, TechStar or the Successor Company (as applicable) will make a written offer (the "**Purchase Offer**") to each Dissenting TechStar Shareholder to purchase its Dissenting TechStar Shares at a specified price determined by the TechStar Board to be the fair value of the TechStar Shares (the "**Purchase Price Offer**"). See "– 2. Fair value of TechStar Shares" below for the determination of fair value of the TechStar Shares.

(e) Within 30 days immediately following the date on which the Purchase Offer is made, if the Dissenting TechStar Shareholder agrees with the Purchase Price Offer, such amount will be paid forthwith in cash by the Successor Company to the Dissenting TechStar Shareholder.

(f) If the Dissenting TechStar Shareholder does not agree with the Purchase Price Offer, TechStar or the Successor Company (as applicable) will, and the Dissenting TechStar Shareholder may, file a petition with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares of all Dissenting TechStar Shareholders. At the hearing of such petition, the Cayman Court shall determine the fair value of the Dissenting TechStar Shares to be paid to each Dissenting TechStar Shareholder. The costs of the proceeding may be determined by the Cayman Court and taxed upon the parties as the Cayman Court deems equitable in the circumstances (i.e. the Cayman Court will determine whether the costs of the proceedings should be borne by the Dissenting TechStar Shareholder(s) and/or TechStar or the Successor Company (as applicable) and the amount to be borne by each party).

TechStar Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the appraisal rights under the Cayman Companies Act. Notwithstanding any exercise of the Appraisal Right by Dissenting TechStar Shareholders, upon the approval of the Merger and the De-SPAC Transaction by the TechStar Shareholders at the EGM, the TechStar Plan of Merger will be filed with the Cayman Registrar and the Merger will become effective at the Merger Effective Time.

The Written Objection must be received by TechStar's Hong Kong Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 9:00 a.m. on Monday, December 1, 2025, being the time and date of commencement of the EGM. TechStar Shareholders who have any queries relating to the administrative matters above may call the enquiry hotline at +852 2980 1333 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding public holidays) prior to the EGM. The helpline cannot and will not provide advice on the merits of the De-SPAC Transaction or give financial or legal advice.

Only Registered Shareholders may exercise Appraisal Right

Only TechStar Shareholders who are registered on the register of members maintained by TechStar under the Cayman Companies Act as a Registered Shareholder of TechStar Shares before the EGM can serve a Written Objection. HKSCC Nominees will not undertake the procedures to exercise, and will not exercise, the Appraisal Right on behalf of Beneficial Owners. TechStar Shareholders who are Beneficial Owners holding their TechStar Class A Shares in CCASS will not be able to exercise their Appraisal Right. This means that Beneficial Owners who hold TechStar Class A Shares through CCASS and wish to exercise their Appraisal Right must first withdraw their TechStar Class A Shares from their stock account or designated HKSCC participant's stock accounts maintained with CCASS and become Registered Shareholders of the TechStar Class A Shares prior to the latest time for giving a Written Objection (i.e. before the EGM).

The time required for a broker, custodian, nominee or other relevant person who is, or has in turn deposited such TechStar Class A Shares with, a HKSCC participant to process the withdrawal of TechStar Class A Shares from CCASS and to transfer such shares to the name of the TechStar Class A Shareholders would vary between individual brokers, custodians, nominees or other relevant persons who are, or have in turn deposited such TechStar Class A

Shares with, a HKSCC participant. In particular, the time required to withdraw TechStar Class A Shares from CCASS and to register those shares in the name of the TechStar Class A Shareholder may exceed the time between the date of this circular and the deadline under the Cayman Companies Act to give a Written Objection. There may also be charges and fees associated with the withdrawal of TechStar Class A Shares from CCASS (which may include but is not limited to the stock withdrawal fee of HK$3.50 per board lot which CCASS charges HKSCC participants).

TechStar Shareholders who hold their TechStar Class A Shares in CCASS and wish to withdraw their shares in order to exercise their Appraisal Right are recommended to seek their own advice and to contact their brokers, custodians, nominees or other relevant persons who are, or have in turn deposited such TechStar Class A Shares with, a HKSCC participant on the procedure to be followed.

TechStar Shareholders who are Beneficial Owners whose TechStar Class A Shares are registered in the name of a Registered Shareholder (other than HKSCC Nominees) and who wish to exercise the Appraisal Right should contact such Registered Shareholders to give instructions to and to make arrangements with such Registered Shareholders. Such TechStar Shareholders are recommended to seek their own advice on the procedure to be followed.

2. Fair value of TechStar Shares

The TechStar Board has determined that the Redemption Price represents the fair value of the TechStar Shares. See "N. Share Redemptions" above for determination of the Redemption Price. If the Dissenting TechStar Shareholders do not agree with the fair value determined by the TechStar Board and file a petition with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares, the Cayman Court will determine the fair value of the Dissenting TechStar Shares as at the date of the EGM at which the Merger is approved. Neither TechStar/the Successor Company nor a Dissenting TechStar Shareholder will be able to disagree with the fair value of the Dissenting TechStar Shares as determined by the Cayman Court, and the Cayman Court will make an order requiring that TechStar/the Successor Company pay the aggregate value of the TechStar Shares held by each Dissenting TechStar Shareholder at that valuation.In light of the Closing, it is expected that the Successor Company will pay to the Dissenting TechStar Shareholder such fair value.

3. Consequences of exercising the Appraisal Right

Under the Cayman Companies Act, upon giving the Appraisal Right Exercise Notice, the Dissenting TechStar Shareholder will cease to have any right as an TechStar Shareholder (including the Redemption Right to redeem all or part of their holdings of TechStar Class A Shares) except the Appraisal Right, the right under Section 238(12) of the Cayman Companies Act to participate fully in all proceedings until the determination of fair value is reached and the right under Section 238(16) of the Cayman Companies Act to institute proceedings to obtain relief on the ground that the Merger is void or unlawful.

Pursuant to the Business Combination Agreement, Dissenting TechStar Shareholders will also have no right to receive any Successor Company Shares or any other consideration under the De-SPAC Transaction unless and until such Dissenting TechStar Shareholder fails to exercise or who effectively withdraws or otherwise loses its Appraisal Right pursuant to Section 238 of the Cayman Companies Act. The TechStar Shares held by such Dissenting TechStar Shareholders will cease to be Dissenting TechStar Shares and will be deemed to have been converted into the right to receive newly issued Successor Company Shares immediately following the Effective Time pursuant to the Business Combination Agreement. Such Dissenting TechStar Shareholder will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

Rule 10.08 of the Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of a listed issuer first commence dealing on the Stock Exchange. One of the exceptions to Rule 10.08 of the Listing Rules is the issue of shares or securities pursuant to an agreement entered into before the commencement of dealing, the material terms of which have been disclosed in the listing document issued in connection with the initial public offering. As the issuance of Successor Company Shares to Dissenting TechStar Shareholders who fail to perfect in accordance with the prescribed statutory procedure or withdraw or otherwise lose their Appraisal Right under the Cayman Companies Act, if any, will be pursuant to the Business Combination Agreement the material terms of which will be disclosed in this circular (which is the listing document of the Successor Company), Successor Company Shares may be issued to such Dissenting TechStar Shareholders within six months from the Closing Date.

Notwithstanding any exercise of the Appraisal Right by Dissenting TechStar Shareholders, upon the approval of the Merger and the De-SPAC Transaction by the TechStar Shareholders at the EGM, the TechStar Plan of Merger will be filed with the Cayman Registrar and the Merger will become effective at the Merger Effective Time.

If the De-SPAC Transaction is not completed for any reason, Dissenting TechStar Shareholders will lose their Appraisal Right under the Cayman Companies Act and any Appraisal Right Exercise Notice given by Dissenting TechStar Shareholders will become void.

TechStar Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the Appraisal Right under the Cayman Companies Act.

4. Promoters' TechStar Shares

Pursuant to the Promoters Lock-up Agreement, the Promoters have agreed to unconditionally and irrevocably waive the appraisal rights pursuant to the Cayman Companies Act with respect to the Merger and the Business Combination Agreement.

5. TechStar Warrantholders

For the avoidance of doubt, TechStar Warrantholders have no appraisal right with respect to such warrants or dissenting right with respect to the De-SPAC Transaction (including the Merger). Each TechStar Warrant will be exchanged for one Successor Company Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Shares per Successor Company Warrant at the warrant exercise price of HK$11.50.

See "Letter from TechStar Board – I. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company – 2. Exchange of TechStar Listed Warrants for Successor Company Listed Warrants" for details of the procedures by which Successor Company Listed Warrants will be issued.

E. INFORMATION AND REPRESENTATION

This circular is for information purposes only and is being provided to you solely for the purposes of considering the resolutions to be voted upon at the EGM of TechStar to be held on Monday, December 1, 2025 at 9:00 a.m.. This circular also constitutes the listing document of the Seyond Holdings Ltd., which is the Successor Company on completion of the De-SPAC Transaction. This circular does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of TechStar or the Successor Company.

Neither TechStar, the Target Company, any of their directors and advisers, the Joint Sponsors, the Overall Coordinators or any other persons or parties involved in the De-SPAC Transaction has authorised anyone to provide you with any information or to make any representation that is different from what is contained in this circular. No representation is made that there has been no change or development reasonably likely to involve a change in the affairs of TechStar or the Target Company since the date of this circular or that the information contained in this circular is correct as at any date subsequent to its date.

F. NOTICE TO U.S. SHAREHOLDERS

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in this circular have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer of the securities is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

There are risks associated with the De-SPAC Transaction and an investment in the Successor Company's securities. If the De-SPAC Transaction is completed, the Successor Company will operate in a market environment that is difficult to predict and that involves significant risks, many of which will be beyond its control. You should carefully consider the following risk factors, together with all of the other information included in this circular, before you decide whether to vote or instruct your vote to be cast to approve the proposals described in this circular.

The occurrence of one or more of the events or circumstances in these risk factors, alone or in combination with other events or circumstances, may adversely affect the ability to complete or realize the anticipated benefits of the De-SPAC Transaction, and may have a material adverse effect on the business, financial condition, results of operations, development prospects and trading price of the Successor Company following the De-SPAC Transaction. If any of the events, contingencies, circumstances or conditions described in the following risks actually occur, the Successor Company's business, financial condition or results of operations could be seriously harmed. If that happens, the trading price of the Successor Company Shares and the Successor Company Listed Warrants or, if the De-SPAC Transaction is not consummated, the TechStar Class A Shares and the TechStar Listed Warrants, could decline. You should also note that the De-SPAC regime in Hong Kong is new, and there is limited number of securities listed for trading through a De-SPAC transaction in history. Consequently, there is a greater degree of risk and uncertainty in an investment in the Target Company, than there would be in the case of an investment in securities of a company which seeks listing through an initial public offering.

In this section, "we," "us" or "our" refer to Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group").

RISKS RELATED TO THE TARGET GROUP'S BUSINESS AND INDUSTRY

We rely substantially on a single customer.

We rely substantially on a single customer. Our revenue from NIO was US$58.8 million, US$109.8 million and US$146.1 million, in 2022, 2023 and 2024, respectively, representing 88.7%, 90.6% and 91.6% of our total revenues during the same periods, respectively. We initiated volume production and delivery of our LiDAR solutions in 2022. As of the Latest Practicable Date, NIO has adopted our LiDAR solutions across nine of its models. These have led to the significant increase in revenue from US$66.3 million in 2022 to US$121.1 million in 2023, and from US$121.1 million in 2023 to US$159.6 million in 2024. Our revenue from NIO decreased from US$47.3 million in the five months ended May 31, 2024 to US$44.8 million in the same period in 2025, primarily due to the decrease from the sales of our Falcon series, which was partially offset by the increased sales of our Robin series. Our ability to maintain and enhance our existing partnership with NIO and offer more value propositions to OEMs such as NIO is critical to our results of operations. See "Business of the Target Group – Our Relationship with NIO." There can be no assurance that we will be able to maintain our relationship with NIO and secure orders for our products. If we are unable to maintain our relationship with NIO, or if our arrangement is modified so that the economic

terms become less favorable to us, our business operations, results of operations and financial conditions may be materially adversely affected. Our business could be materially and adversely affected if we lose any of our large customers, or if their demand for our products declines due to factors outside of our control, including their component shortages, delays in R&D and manufacturing plans.

In addition, one or more of our major customers may be unable to pay our invoices as they become due, or may simply refuse to make such payments if they experience financial difficulties or for other reasons. If our customers face financial difficulties, they may also cancel current or future product programs that could materially and adversely impact our sales and results of operations. If a major customer were to enter into bankruptcy proceedings or similar proceedings whereby contractual commitments are subject to a stay of execution and the possibility of legal or other modification, we could be forced to record a substantial loss. Our customers or strategic partners may also delay their R&D plans, and may decide to postpone their manufacturing and sales plans of new models equipped with our products. Such delays could lead to postponed or even eliminated demands for our products. Our customers may also experience other difficulties in their business operations, such as shortages in their supply chain that could negatively affect their ability to integrate ADAS and ADS, such as the actual and potential shortages of microcontroller chips. While such delays in chip supplies are expected to be short-term, they have caused and may in the future cause delays in the manufacturing plans of our OEM customers, which in turn could lead them to postpone or reduce the level of purchasing of our products, thus adversely affecting our sales and results of operations.

Our long-term framework procurement agreements with NIO do not guarantee any sales orders from NIO.

We have entered into two long-term framework procurement agreements with NIO in 2022. However, such long-term framework procurement agreements do not guarantee any sales orders. Product prices are to be confirmed annually and may be adjusted due to engineering changes or mutual negotiation between NIO and us. NIO retains the discretion as to whether and when to place orders for our products, and the supply of products may be subject to other conditions. See "Business of the Target Group — Our Relationship with NIO." Given our substantial revenue concentration on NIO, if NIO decides to terminate or decrease the level of its procurement from us in the future, it may result in a material and adverse effect on our business, financial conditions and results of operations.

Emergence of camera-based solutions may adversely affect market adoption of lidar and our business.

Existing non-LiDAR technologies may emerge as our customers' preferred alternatives to LiDAR and adversely affect adoption of our LiDAR solutions and of LiDARs generally. Significant developments in competing sensing technologies, such as camera- and radar-based systems, could materially and adversely affect our business, prospects, financial condition and operating results. We cannot rule out the possibility that OEMs may increasingly adopt

camera-based technologies as alternatives to LiDAR, driven by potential advances in AI-enabled perception and sensor fusion that have significantly enhanced the precision, reliability, and performance of camera systems under complex road conditions. These solutions are generally more cost-effective, durable and technologically mature than LiDAR, and may therefore gain wider market acceptance. Failure by us or the LiDAR market generally to respond effectively to such technological shifts, or to continue innovating to maintain performance advantages, could reduce market adoption of LiDAR, delay commercialization of our new products and result in loss of competitiveness, lower revenue and erosion of market share.

As a result, we may face competition from camera and radar solution providers, tier-one suppliers and other automotive technology companies. Certain automotive OEMs, including some of our existing customers, have introduced or are developing camera-only sensing solutions that are competitively priced and have gained market acceptance. For example, NIO, one of our key customers has launched new electric vehicle models using camera-based solutions instead of LiDAR. If more OEMs adopt camera-based sensing approaches or develop proprietary alternatives, demand for our LiDAR solutions could decrease, which may adversely affect our business, results of operations and financial condition.

We are an early stage company with a history of losses and net operating cash outflow, which are expected to continue in the near future as we rapidly grow our business.

We have incurred net losses and net operating cash outflow each year since our inception. We incurred loss for the year/period of US$188.2 million, US$219.0 million, US$398.2 million, US$74.3 million and US$21.5 million, respectively, and net cash used in operating activities of US$108.2 million, US$133.1 million, US$46.5 million, US$49.3 million and US$24.4 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively. We expect to continue to incur significant expenditures in future periods as we make investments and implement initiatives designed to grow our business, including efforts to:

- expand our production capabilities to achieve volume production for more of our LiDAR solutions, which is also expected to help control our procurement and manufacturing costs as we scale up our business volume;
- invest in our design, development, installation, and servicing capabilities;
- build up inventories of parts and components for our LiDAR solutions;

- increase our sales and marketing activities and develop our distribution infrastructure;
- protect our intellectual properties; and
- invest in legal, accounting and other administrative functions necessary to support our operations as a public company.

These initiatives may also prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue in an amount sufficient to offset these higher expenses and to achieve and maintain profitability.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this "Risk Factors" section, our business, financial condition and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

Our limited operating history may make it difficult to predict our future prospects and the risks and challenges we may encounter in the rapidly evolving LiDAR solutions market.

We have been focused on developing our automotive and non-automotive LiDAR solutions since our inception in 2016. This relatively limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter. Risks and challenges we have faced or expect to face include:

- our ability to attract new customers and retain existing customers;
- our ability to produce and deliver our LiDAR solutions of acceptable performance;
- our ability to forecast our revenue and budget for and manage our expenses;
- our ability to plan for and manage capital expenditures for our current and future products;
- our ability to comply with existing and new or modified laws and regulations applicable to our business;

- our ability to anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- our ability to maintain and improve our supply chain relationships to ensure stable raw materials and components supplies and sales channels for our current and future products in light of armed conflicts in certain regions of the world, among other factors that could adversely affect supply chain stability worldwide;
- our ability to maintain and enhance the value of our reputation and brand;
- our ability to develop and protect intellectual properties;
- our ability to hire, integrate and retain talented people at all levels of our organization; and
- our ability to successfully develop new solutions to enhance customer experience.

Our limited operating history may make it difficult to manage these risks successfully. If we fail to do so, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

If we are unable to overcome our limited sales history and establish and maintain confidence in our long-term business prospects among customers in our target markets, our financial condition, operating results, business prospects and access to capital may suffer materially.

Our company has a limited sales history, as we commenced delivery of volume production LiDAR solutions since 2022. Because of our limited sales history, we have limited experience in managing and growing our relationships with existing customers and securing new customers in our target industries. Our existing or potential customers may replace our products with, or select the products of, our competitors in the LiDAR industry as well as companies providing alternative sensing solutions such as cameras for their ADAS or ADS. This could have a material adverse impact on our business prospects and results of operations.

To establish preliminary relationships with certain customers and to build their confidence, we have and may continue to enter into non-binding letters of intent and strategic customer agreements. These agreements are largely non-binding, do not include any minimum obligation to purchase any quantities of any products at this time, and do not require that the parties enter into a subsequent definitive, long-term, binding agreements. These collaboration agreements assist us in building confidence with customers, provided that we are able to effectively perform and otherwise maintain positive relationships with them. If we are unable to build confidence with our existing customers, either through these collaboration agreements or otherwise, we may never secure binding purchase commitments that would allow us to produce accurate forecasts and become profitable. For example, even if we are able to successfully develop and sell our LiDAR solutions, and have established early commercialization success, there can be no assurance that we can expand such commercial success and obtain more design wins.

In addition, new customers may have less confidence in us and be less likely to purchase our products because of a lack of awareness. They may also not be convinced that our business will succeed because of the absence of an established sales, service, support and operating history. To address this, we must, among other activities, grow and improve our marketing capability and brand awareness, which may be costly. These activities may not be effective or could delay our ability to capitalize on the opportunities that we believe are suitable to our technology and products and may prevent us from successfully commercializing our products. To build and maintain our business, we must build and maintain confidence in our products, long-term financial viability and business prospects. Failure to establish and maintain customer confidence may also adversely affect our reputation and business among our suppliers, analysts, ratings agencies and other interested parties.

We face vigorous competition from peers, some of which have substantially greater resources.

The LiDAR solutions market is highly competitive. Our future success depends on our ability to remain a leader in our target markets by continuing to develop advanced LiDAR technology and products that suit customers' needs in a timely manner and to stay ahead of existing and new competitors. Our competitors compete with us directly by offering LiDAR solutions and indirectly by attempting to solve some of the same challenges with different technology in both automotive and non-automotive application scenarios. We face fierce competition with established competitors in the market for LiDAR solutions, who have significantly greater resources and more experience than we do. These competitors have commercialized LiDAR technology that has achieved market adoption, strong brand recognition, and may continue to improve in both anticipated and unanticipated ways. They may also have entered into commercial relationships (including design wins, volume production and delivery) with key customers and have built relationships and dependencies between themselves and those key customers that we may need to disrupt if we are to be commercially viable. In addition to the established market competitors, new competitors may be preparing to enter or are entering the LiDAR solutions market that may disrupt the commercial landscape of target markets in ways that we may not be able to prepare for, including customers who may be developing their own competitive solutions. We do not know how close any of our current and potential competitors are to commercializing their LiDAR solutions and services, nor what they intend to develop as part of their product roadmaps. The already competitive landscape of the LiDAR solutions market along with both foreseeable and unforeseeable entries of competitors and LiDAR technology from those competitors in our target markets, may result in pricing pressure, reduced margins and may impede our ability to increase the sales of our products or cause us to lose market share, any of which will adversely affect our business, results of operations and financial condition.

The proper functioning of our automotive and non-automotive LiDAR solutions is essential to our business. The complexity of our products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in our hardware or software which could reduce the market adoption of our products, damage our reputation with current or prospective customers, expose us to product liability and other claims and thereby adversely affect our operating costs.

Our products are highly technical and very complex and require high standards to manufacture and have in the past and will likely in the future experience defects, errors or reliability issues at various stages of development. We may be unable to timely release new products, manufacture existing products, correct problems that have arisen or correct such problems to our customers' satisfaction. Additionally, undetected errors, defects or reliability issues, especially as new products introduced or new versions released, could result in serious injury to the end users of technology incorporating our products, or those in the surrounding area, leading to litigations, other legal proceedings, negative publicity and other consequences. Some errors or defects in our products may only be discovered after they have been tested, commercialized and deployed by customers. Thus, we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims, including class actions, against us by our customers or others. In addition, any accidents or incidents involving vehicles or devices that use our LiDAR solutions could undermine the trust and credibility we have established, even if the accidents or incidents are not caused by our LiDAR solutions. Our reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our financial results.

In addition, we could face material legal claims for breach of contract, product liability, fraud, tort or breach of warranty as a result of these problems. Defending a lawsuit, regardless of our merit, could be costly and may divert management's attention and adversely affect the market's perception of us and our products. Additionally, our business liability insurance coverage could prove inadequate with respect to a claim and future coverage may be unavailable on acceptable terms or at all. These product-related issues could result in claims against us and our business could be adversely affected. If relevant authorities were to determine that the use of our products or ADAS or ADS applications increased the risk of injury to all or a subset of our customers, they may limit the use of our products or increase our liability associated with the use of our products or that regulate the use of or delay the deployment of ADAS and ADS technology. Any of these events could adversely affect our brand, relationships with customers, operating results or financial condition.

We typically provide a limited-time warranty on our products. The occurrence of any material defects in our products could make us liable for damages and warranty claims. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Moreover, warranty, recall and product liability claims may result in litigation, including class actions, the occurrence of which could be costly, lengthy and distracting and adversely affect our business and operating results.

The markets in which we compete are characterized by rapid technological changes, requiring us to continue to develop new products and product innovations, and could adversely affect market adoption of our products.

While we intend to invest substantial resources to remain on the forefront of technological development, continuing technological changes in sensing technology, LiDAR solutions market, and related markets, including the LiDAR market for ADAS applications, could adversely affect adoption of our products, either generally or for particular applications.

Our future success will depend upon our ability to develop and introduce a variety of new capabilities and innovations to our existing product offerings, as well as introduce a variety of new product offerings such as our Robin series LiDAR solutions, to address the changing needs of the markets in which we offer our products. Any delay in the financing, design, production and launch of our new solutions or of any other future products, could materially damage our brand, business, prospects, financial condition and operating results. We cannot guarantee that our new products will be released in a timely manner, or at all, or achieve market acceptance. Delays in delivering new products that meet customer requirements could damage our relationships with customers and lead them to seek alternative sources of supply.

In addition, our success to date has been based on the delivery of our products to R&D programs in which developers are investing substantial capital to develop new systems. Our continued success relies on the success of the R&D phase of these customers as they expand into commercialized projects. As autonomous technology reaches the stage of large-scale commercialization, we will be required to develop and deliver solutions at price points that enable wider and ultimately large-scale market adoption. Delays in introducing products and innovations, the failure to choose correctly among technical alternatives or the failure to offer innovative products or configurations at competitive prices may cause existing and potential customers to purchase our competitors' products or turn to alternative sensing technology.

If we are unable to devote adequate resources to develop products or cannot otherwise successfully develop products or system configurations that meet customer requirements on a timely basis or that remain competitive with technological alternatives in light of the rapid technological changes, our products could lose market share, our sales, results of operations and business and prospects could be materially adversely affected.

Although we believe that LiDAR is an essential technology for automotive and non-automotive customers, market adoption of LiDARs is uncertain.

Substantially all of our revenue is generated by the sale of our LiDAR solutions. Given the evolving nature of the markets in which we operate, it is difficult to predict the customer demand or adoption rates for LiDAR technology generally or our products specifically. If demand does not develop or if we cannot accurately forecast customer demand, our future business, results of operations and financial condition could be adversely affected. If

prospective customers have a negative perception of, or experience with, LiDARs in general or a competitor's LiDAR solutions in particular, they may be reluctant to adopt LiDARs in general or specifically our products.

We are pursuing opportunities in markets that involve novel applications that include both technological and regulatory uncertainties, making it difficult to predict the size and timing of market opportunities. For example, LiDAR-based ADAS and ADS require complex technology and rigorous safety controls. Because these automotive systems are both themselves complex, and also depend on complex technologies from many suppliers, commercialization of ADAS and ADS could be delayed or impaired on account of technological capabilities that are not sufficiently advanced for deployment in vehicles. These standards may never be met at all. Additionally, ADAS and ADS have yet to, and may never, achieve widespread adoption, which would reduce demand for our automotive LiDAR solutions in that market. These same concerns are also applicable to the robotics, industrial and smart infrastructure markets that we are targeting for use of our products.

We expect to incur substantial R&D costs and devote significant resources to identifying and commercializing new generations of LiDAR solutions, which could significantly reduce our profitability and may not result in the expected increase in revenue.

Our future growth depends on penetrating new markets, adapting existing products to new applications and customer requirements, and introducing new products that achieve market acceptance. We plan to incur substantial, and potentially increasing, R&D costs as part of our efforts to design, develop, manufacture and commercialize new products and enhance existing products. Our R&D expenses were US$78.1 million, US$63.8 million, US$37.0 million, US$20.9 million and US$13.7 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, and are likely to grow in the future. Further, our R&D programs may not produce successful results, and our new products may not achieve market acceptance, create additional revenue or become profitable.

Key components in our products come from limited third party suppliers, and we expect to rely on third parties as our strategic suppliers to manufacture a significant portion of our products for the foreseeable future. Interruptions in our relationships with these third parties could adversely impact our business.

We rely on third parties to supply key components of our LiDAR solutions and to manufacture a significant portion of our LiDAR solutions. These arrangements are intended to lower our costs, but they also reduce our direct control over production. This diminished control may have an adverse effect on the quality or quantity of products or services, or our flexibility to respond to changing conditions. If any of our third-party component suppliers or logistics and transportation partners experience interruptions, delays or disruptions in supplying their products or services, including by natural disasters, other health epidemics, pandemics and outbreaks, work stoppages or capacity constraints, our ability to manufacture and deliver products to customers may be delayed. We may also face pricing pressure from third-party suppliers if we do not enjoy strong bargaining power, which may negatively impact our procurement costs and our overall results of operations.

In addition, unfavorable economic conditions could result in financial distress among third-party suppliers or manufacturers upon which we rely, thereby increasing the risk of disruption of supplies necessary to fulfill our production requirements and meet customer demands. Additionally, if any of the third parties on whom we rely experience quality control problems in their operations and our products do not meet customer or regulatory requirements, we could be required to cover the cost of repair or replacement of any defective products. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and could have a negative effect on our operating results. Moreover, such delays or issues with product quality could adversely affect our reputation and our relationship with our customers.

If these third parties experience financial, operational, manufacturing capacity or other difficulties, or experience shortages in required components, or if they are otherwise unable or unwilling to continue to manufacture our products in required volumes or at all, our supply may be disrupted, we may be required to seek alternate suppliers and we may be required to redesign our products. It would be time consuming, and could be costly and impracticable to begin to use new suppliers, components or designs, and such changes could cause significant interruptions and delays in supply and could have an adverse effect on our ability to meet our scheduled product deliveries and may subsequently lead to loss of sales. While we take measures to protect our trade secrets, the use of third-party suppliers and manufacturers may also risk disclosure of our innovative and proprietary manufacturing methodologies, which could adversely affect our business.

Moreover, certain of our strategic, development and supply arrangements with third party suppliers could be terminated or may not materialize into long-term contract partnership arrangements. We have arrangements with strategic, development and supply partners and collaborators. Some of these arrangements are evidenced by memorandums of understandings, and early stage agreements that are used for design and development purposes but that will require renegotiation at later stages of development or replacement by production or master agreements that have yet to be implemented under separately negotiated statements of work, each of which could be terminated or may not materialize into next-stage contracts or long-term partnership arrangements. If these arrangements are terminated or if we are unable to enter into next-stage contracts or long-term operational contracts, our business, prospects, financial condition and operating results may be materially adversely affected.

We believe there are a limited number of competent, high-quality suppliers in the industry that meet our strict quality and control standards, and as we seek to obtain additional or alternative supplier arrangements in the future, there can be no assurance that we would be able to do so on satisfactory terms, in a timely manner, or at all. Our suppliers could also discontinue or modify components used in our products. In some cases, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. We may in the future experience component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner or at all in the case of sole or limited sources. Developing

alternate sources of supply for these components may be time-consuming, difficult, and costly and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to fill customer orders in a timely manner. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would adversely affect our ability to meet our scheduled product deliveries to our customers. This could adversely affect our relationships with customers and distributors and could cause delays in shipment of our products and adversely affect our operating results. In addition, increased component costs could result in lower gross margins. Even where we are able to pass increased component costs along to our customers, there may be a lapse of time before it is possible to do so, such that we must absorb the increased cost. If we are unable to buy these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to deliver products to our customers, which may result in such customers using competitive products instead of ours. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material disruptions in supply of raw materials.

Our customers have substantial negotiating power, exacting product standards and potentially competitive internal solutions.

Many of our current and potential customers have significant leverage over their suppliers, and can successfully demand contract terms favorable to themselves, such as reserving the right to terminate their supply contracts for convenience. This disparate power has required, and may require in the future, that we accept less favorable terms regarding product warranties, quality and defect policies, among other obligations that negatively affect us. These customers also have exacting technical specifications and requirements that we may be unable to meet, thereby precluding our ability to secure sales. Meeting the technical requirements to secure and maintain significant contracts with any of these companies will require a substantial investment of our time and resources, and if we fail to comply with our customers' technical specifications and standards, we may lose existing and future business. Even when we succeed in securing contracts, these customers may be uncertain about their technical specifications for our products and terminate our agreement or make a later determination that our products are not satisfactory. We therefore have no assurance that we can establish relationships with these companies, that our products will meet the needs of these or other companies, or that a contract with these companies will culminate in significant or any product sales. Even when we secure agreements with these companies, we may not be effective in negotiating contract terms or managing such relationships, which could adversely affect our future results of operations.

Furthermore, in some instances, our customers have internally developed products and solutions that are competitive to our products. These companies may have substantial research and development resources, which may allow them to acquire or develop independently, or through partnership with others, competitive technologies. Such activities may foreclose significant sales opportunities for our products.

The period of time from a "design win" to implementation is long and we are subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.

We have experienced, and may experience in the future, unexpected cancellations of purchases of our products, which has affected and in the future may adversely affect our results of operations. Prospective customers across our target markets generally must make significant commitments of resources to test and validate our products and confirm that they can be integrated with other technologies before including them in any particular system, product or model. The development cycles of our products with new customers vary widely depending on the application, market, customer and the complexity of the product. In our target markets, development cycles can be three months to three or more years. These development cycles require us to invest our resources prior to realizing any revenue from commercialization. Further, we are also subject to the risk that a customer may cancel or postpone implementation of our technology, or that we will not be able to integrate our technology successfully into a larger system with other sensing modalities. Our revenue growth may be impaired if the system, product or model that includes our LiDAR solutions is unsuccessful for reasons related or unrelated to our technology. Long development cycles, product cancellations or postponements, the mismatch between the models and our products and any other reasons from the customer may adversely affect our business, results of operations and financial condition.

In addition, the design wins we have secured for 905 nm wavelength-based LiDAR solutions are not exclusive, and we may face fierce competition from other LiDAR solution suppliers, which may result in pricing pressure, reduced margins and may impede our ability to increase the sales of our products or cause us to lose market share, any of which will adversely affect our business, results of operations and financial condition.

We leverage distributors to expand our sales and customer base. If we are unable to maintain, expand and manage our sales and distribution network successfully, our business, financial condition, results of operations and prospects may be affected.

We started selling to distributors in 2022. Our distributor network consists of 26 distributors covering the U.S., United Kingdom, and several European markets as of May 31, 2025. In 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, the revenue generated from the distributors amounted to US$0.06 million, US$0.55 million, US$1.25 million, US$0.32 million and US$0.50 million, respectively, representing 0.10%, 0.45%, 0.78%, 0.61% and 0.96% of our total revenues during the same period, respectively. See "Business of the Target Group – Sales and Marketing – Distributorship" for details. If there is any decrease in sales from, or loss of, one or more of our distributors without a corresponding increase in sales from other distributors due to the changes of nature in the distributors' business models or for any other reasons may adversely affect our business, results of operations, financial condition and prospects.

In particular, our sales volumes would be influenced by the performance of our distributors in marketing our products. The effectiveness of our distributors in selling and distributing our products may be affected by a number of factors, many of which are out of our control, including:

- the availability of suitable distributors;
- the existence and availability of suitable regions and locations for expansion of our sales and distribution network;
- our ability to negotiate favorable cooperation terms with our distributors;
- our ability to maintain and expand our distribution network;
- our distributors' strategies in promoting our products;
- our distributors' own business and financial performance;
- our distributors' abilities to expand their customer base and penetrate into new markets with reduced risk of channel stuffing;
- our distributors' strategies to extend geographical coverage of our products; and
- our distributors' willingness to maintain relationships with us.

We are also exposed to the risk that distributors may seek to impose unfavorable terms on us in the future, such as longer credit periods. Credit arrangement with our distributors may add pressure on our working capital and expose us to the risks of default and bad debts. Any disruption in our relationships with our distributors could affect our ability to maintain and grow our sales volume, which could affect our business, results of operations and financial position. We cannot give assurance that we will be able to achieve our expansion goals or effectively integrate any new distributors into our existing sales and distribution network. If we encounter difficulties in maintaining, expanding or optimizing our sales and distribution network, our growth prospects may be limited, which could in turn adversely affected our business, financial condition, results of operations and prospects.

We sell in multiple geographical regions, which expose us to operational, financial and regulatory risks.

We are subject to the following inherent risks with multi-national sales operation:

- foreign currency fluctuations;
- local economic conditions;
- political and economic instability and international terrorism;

- import and export requirements and the impact of tariffs;
- reduced protection for intellectual property rights in some countries;
- tariffs and other trade barriers and restrictions;
- global or regional health crises, such as health epidemics, pandemics and outbreaks;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- preference for locally branded products, and laws and business practices favoring local competition;
- increased difficulty in managing inventory;
- increased risk in collecting trade receivables;
- delayed revenue recognition;
- stringent regulation of the autonomous or other systems or products using our products and stringent consumer protection and product compliance regulations; and
- restrictions on certain technology transfer to certain countries or regions of concern.

If we fail to manage or respond to any of the abovementioned risks, our business operations, results of operations and financial condition may be materially adversely affected.

Because our customers typically place purchase orders on a project or per model basis, we expect our results of operations to fluctuate as the need by our customers fluctuate from period to period, which could materially affect our business operation, financial conditions and prospects.

Sales in any given period can fluctuate based on the timing and success of our customers' development projects. Accordingly, the results of any one period should not be relied upon as an indication of future performance. Our financial results for a given period may fluctuate as a result of a variety of factors, many of which are outside of our control and may not fully reflect the underlying performance of our business. These fluctuations could adversely affect our ability to meet our expectations or those of securities analysts, ratings agencies or investors. If we do not meet these expectations for any period, the value of our business and our securities, could decline significantly. Factors that may cause these periodic fluctuations include, without limitation, those listed below:

- the timing and magnitude of orders and shipments of our products in any period, driven by fluctuating customer demands;

- pricing changes we may adopt to drive market adoption or in response to competitive pressure;
- our ability to retain our existing customers and attract new customers;
- our ability to develop, introduce, manufacture and ship in a timely manner products that meet customer requirements;
- disruptions in our sales channels or termination of our relationship with important channel partners;
- delays in customers' purchasing cycles or deferments of customers' purchases in anticipation of new products or updates from us or our competitors;
- the mix of products sold in any period;
- the timing and rate of broader market adoption of autonomous systems utilizing our products across the automotive and other market sectors;
- market acceptance of LiDARs and further technological advancements by our competitors and other market participants;
- the ability of our customers to commercialize systems that incorporate our products;
- any change in the competitive dynamics of our markets, including consolidation of competitors, regulatory developments and new market entrants;
- our ability to effectively manage our inventory;
- changes in the source, cost, availability of and regulations pertaining to materials we use;
- adverse litigation, judgments, settlements or other litigation-related costs, or claims that may give rise to such costs; and
- general economic, industry and market conditions, including trade disputes.

The occurrence of any of these risks could negatively affect our international business and consequently our business, operating results, and financial condition.

We have limited insurance coverage for our operations.

As LiDAR technology is not advanced and its target markets are relatively new, insurance coverage for companies such as ourselves is still premature as insurance companies are not prepared for target markets. Although we have purchased insurances including business

disruption insurance and property insurance for our space, those insurances might not be able to cover all risks. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our results of operations and financial condition.

As LiDARs are new in most of the markets we are seeking to enter, forecasts of market growth may not also be accurate.

Even if these markets experience the forecasted growth described in this circular, we may not grow our business at similar rates, or at all. Our future growth is subject to many factors, including market adoption of our products, which is subject to many risks and uncertainties. Accordingly, the forecasts and estimates of market size and growth described in this circular should not be taken as indicative of our future growth.

We generate a substantial portion of our revenue from a limited number of products, and the loss of, or a significant reduction in, revenue from such products could materially and adversely affect our results of operations.

We are dependent on a limited number of products to generate a substantial portion of our revenue. Falcon and Robin series, our major products, in aggregate made up 98.1%, 98.1%, 99.5%, 99.5% and 99.2% of our total revenue in 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, respectively. While we have and continue to invest in research and development to broaden our product portfolio, our initiatives may not always be successful. Even if a new product is launched, there is no guarantee of market acceptance. The markets for LiDAR products and customers' needs and preferences are rapidly evolving. Many of our competitors, like us, are constantly upgrading LiDAR products and rolling out new products with higher performance and better quality. To the extent any of our major products loses its appeal to customers and in turn its market share, whether due to competition from our competitors' products or our own alternative products or overall lower demand for LiDAR products, among other things, our business and results of operations could be materially and adversely affected.

We have experienced decrease of the average selling prices of our products during the Track Record Period, and the average selling prices of our products could continue to decrease or decrease rapidly over the life of the product, which may negatively affect our revenue and gross margin.

We experienced decrease of the average selling prices for some of our products during the Track Record Period. For details and underlying reasons, see "Financial Information of the Target Group – Description of Key Consolidated Income Statements Items – Revenue." We may continue to experience declines in the average selling prices of our products in the future, or the average selling prices of our products could decrease generally as our customers seek to commercialize autonomous systems at prices low enough to achieve market acceptance. In order to sell products that have a falling average unit selling price and maintain margins at the same time, we will need to continually reduce production and manufacturing costs. To manage manufacturing costs, we must engineer cost-effective design for our products, reduce labor costs, improve worker efficiency and reduce cost of materials, among other measures. We also

need to continuously introduce new products that offer high values in order to charge premium prices and generate a higher gross margin in order to improve our overall results of operations. If we are unable to manage the cost of older products or successfully introduce new products with higher gross margin, our revenue and overall gross margin would be materially adversely affected.

Despite the above, cost-cutting initiatives adopted by our customers could still result in increased downward pressure on pricing. We expect that our agreements with automotive OEMs may require step-downs in pricing over the term of the agreement or, if commercialized, over the period of production. In addition, our automotive OEM customers often reserve the right to terminate their supply contracts for convenience, which enhances their ability to obtain price reductions. Automotive OEMs also possess significant leverage over their suppliers, including us, because the automotive component supply industry is highly competitive, serves a limited number of customers and has a high fixed cost base.

According to CIC, it is a common industry practice for OEMs to require suppliers to provide annual price reductions after products reach maturity, typically ranging from 1% to 5%. In line with this practice, we generally engage in year-end negotiations with our automotive customers, including NIO, to finalize pricing for the upcoming year. In 2025, NIO, our largest customer, implemented price reductions on certain LiDAR-equipped models, ranging from 8% to 11%. Following this move, a potential annual price reduction request by NIO for 2026 would exert further downward pressure on our product pricing.

Accordingly, we expect to be subject to substantial continuing pressure from our customers to reduce the price of our products. It is possible that pricing pressures beyond our expectations could intensify as automotive OEMs pursue restructuring, consolidation and cost cutting initiatives. If we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected.

Our results of operations are affected by fluctuation in the prices and availability of our major raw materials.

Our results of operations are affected by fluctuation in the prices and availability of our major raw materials. In 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, material cost accounted for 89.1%, 88.9%, 87.8%, 83.2% and 81.6% of our cost of revenue for the respective periods. We have limited control over the supply and availability of these major raw materials. In particular, the prices and availability of our major raw materials are also sensitive to transport disruptions, government policies, general economic conditions, and many other factors that are beyond our control. We may not be able to fully pass on the fluctuation in prices of our material cost to our customers. As a result, our profitability and overall financial performance may be materially and adversely affected by any substantial increase in the prices of our major raw materials.

We recorded net liabilities in the past, and recorded net current liabilities as of May 31, 2025 which might expose us to certain liquidity risks and could constrain our operational flexibility.

We recorded net liabilities of US$361.7 million, US$574.6 million, US$972.0 million and US$993.0 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. In addition, we recorded net current liabilities of US$14.1 million as of May 31, 2025. See "Financial Information of the Target Group – Discussion of Selected Items from the Consolidated Balance Sheets." We may still retain a net liabilities position and net current liabilities position in the future, which may adversely affect our financial performance. A net liabilities position and net current liabilities position exposes us to liquidity risks. Our future liquidity, capital expenditures, the payment of trade and bills payables and the repayment of debt financing will primarily depend on our ability to generate an adequate cash flow from our operating activities. If we have a shortage in the cash flow generated from operations, our liquidity position may be materially and adversely affected, which in turn may impact our ability to execute our business strategies and constrain our business operation. This in turn would require us to seek adequate financing from sources such as equity or equity-linked instruments and external debt, which may not be available on terms favorable or commercially reasonable to us or at all. We cannot assure you that we will always be able to raise the necessary funding to finance our current liabilities and other debt obligations. Our ability to arrange financing and the cost of such financing are dependent on the economic conditions, capital and debt market conditions, lending policies of banks, and other factors. In the event we are unable to obtain adequate financing to meet our working capital requirements, we may be forced to delay, adjust, reduce or abandon our planned strategies. See "– We are an early stage company with a history of losses and net operating cash outflow, which are expected to continue in the near future as we rapidly grow our business." In such event, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to credit risk for trade and other receivables and prepayment, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations.

We are exposed to credit risk for trade and other receivables and prepayment. As of December 31, 2022, 2023, 2024 and May 31, 2025, the current portion of our trade and other receivables and prepayment amounted to US$48.8 million, US$54.9 million, US$62.1 million and US$69.6 million, respectively. As of December 31, 2022, 2023, 2024 and May 31, 2025, we recorded impairment loss allowance for trade receivables of US$15 thousand, US$168 thousand, US$1.6 million and US$1.4 million, respectively. Our trade receivable turnover days were 111.3 days, 105.4 days, 71.6 days and 97.3 days in 2022, 2023, 2024 and for the five months ended May 31, 2025, respectively. We may not be able to collect all such trade receivables due to a variety of factors that are beyond our control. As the amount of provisions made on our trade receivables are recorded as expenses on our results of operations, if we are not able to effectively manage the credit risk associated with our trade receivables, whether due from overall economic downturn or other factors out of our control, our results of operations may be materially and adversely affected.

We may need additional capital to meet our operating cash and capital expenditure requirements, and financing may not be available on acceptable terms to us, or at all. If we fail to obtain such financing, we may be forced to delay, reduce or eliminate some or all of our research, development and commercialization efforts relating to our products.

We have experienced negative working capital, recurring losses from operations, and negative cash flows from operations, and we expect to continue operating at a loss for the foreseeable future. See "Financial Information of the Target Group – Liquidity and Capital Resources" for more details. As of May 31, 2025, our cash and cash equivalents were US$21.9 million. However, we may still require additional capital to respond to technological advancements, competitive dynamics or technologies, customer demands, business opportunities, challenges, acquisitions or unforeseen circumstances; we may determine to engage in equity or debt financings or enter into credit facilities for other reasons. In order to further business relationships with current or potential customers or partners, we may issue equity or equity-linked securities to such current or potential customers or partners. We may not be able to timely secure additional debt or equity financing on favorable terms, or at all. As of May 31, 2025, we had bank loans of US$23.7 million and financial institution loans of US$15.1 million, in total, which might expose us to certain debt related risks, such as interest rate related risks. In addition, we have historically failed to meet certain debt covenants, and there is no guarantee that we will be able to meet all debt covenants again in the future. For details, see Note 26 of the Accountant's Report set out in Appendix I. In light of the uncertainty in the global credit and lending environment, we cannot assure you that financial institutions will continue to offer funding to our business at reasonable costs. An increase in interest rates or a decrease in funding of capital projects within the global financial market could make it difficult to fund our business, which may materially and adversely affect our business, results of operations, financial condition and prospects. If we raise additional funds through the issuance of equity or convertible debt or other equity-linked securities or if we issue equity or equity-linked securities to current or potential customers to further business relationships, the holders of our existing ordinary shares could experience significant dilution. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

We are highly dependent on the services of Dr. Bao and Dr. Li Yimin, our two co-founders.

We are highly dependent on Dr. Bao and Dr. Li Yimin, our two co-founders. The two co-founders created our first LiDAR solution and they remain deeply involved in all aspects of our business, including product development. The loss of our two co-founders would adversely affect our business and could make it more difficult to, among other things, compete

with other market participants, manage our R&D activities and retain existing customers or cultivate new ones. Negative public perception of, or negative news related to, our two co-founders may adversely affect our brand, relationship with customers or standing in the industry.

As LiDAR is a relatively new and rapidly growing technology, our business operation substantially depends on the continuing efforts of our key management and highly skilled personnel as well as our ability to recruit new talents. If we fail to hire, retain or motivate our staff, our business may suffer.

Our success depends on our ability to attract, retain and motivate highly qualified management, technical, manufacturing, engineering and sales personnel. In particular, our success may depend on our ability to recruit and retain management personnel who are qualified to manage a public company. If any of such persons left, our business could be harmed. The loss of the services of one or more of our key employees could delay or have an impact on the successful commercialization of our products. We do not maintain key man insurance.

In addition, our ability to successfully execute on our strategic plan depends in part on our ability to continue to build our organization and hire qualified personnel, especially with technical, manufacturing, engineering and sales expertise. Competition for qualified personnel is especially fierce in China and the United States. We may not be able to attract and retain qualified personnel on acceptable terms given the competition for such personnel. If we are unsuccessful in our recruitment efforts, it may adversely affect our business and our growth prospects.

Growth of our business will partially depend on the recognition of our brand. Our brand and reputation could be harmed by safety concerns regarding our solutions or the solutions of our competitors.

We believe that recognition of our brand among business partners will contribute to the growth and success of our business. Maintaining, protecting and enhancing our brand remains critical to our business and market position. Maintaining, protecting and enhancing our brand depends on several factors, including our ability to:

- maintain the quality and attractiveness of our LiDAR solutions we offer;
- maintain relationships with our business partners;
- increase brand awareness through marketing and brand promotion activities;
- comply with relevant laws and regulations; and
- compete effectively against existing and future competitors.

A public perception that we or other industry participants do not provide satisfactory services, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established. Failure to maintain, protect and enhance our brand could limit our ability to expand or retain our customer base, which could materially and adversely affect our business, financial condition and results of operations.

We may make acquisitions to grow our business. If we fail to successfully select, execute or integrate targets of our acquisitions, our business, results of operations and financial condition could be materially adversely affected.

From time to time, we may undertake acquisitions to add new solutions and technologies, acquire talent, gain new sales channels or enter into new markets or sales territories. Acquisitions involve numerous risks and challenges, including relating to the successful integration of the acquired business and our key personnel, entering into new territories or markets with which we have limited or no prior experience, establishing or maintaining business relationships with new customers, channel partners, vendors and suppliers, unexpected liabilities and potential post-closing disputes.

To date, we have limited experience with acquisitions and the integration of acquired technology and personnel. Failure to successfully identify, complete, manage and integrate acquisitions could materially and adversely affect our business, financial condition and results of operations and could cause our share price to decline.

Our business could be materially and adversely affected as a result of natural disasters, extreme weather conditions, other catastrophic incidents or risks related to health epidemics and pandemics.

Our or our customers' business operations could be adversely affected by events outside of our control, such as nature disasters, extreme weather conditions, wars, health epidemics, and pandemics, and other calamities. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to produce our products and provide services.

We also face various risks related to public health issues, including epidemics, pandemics, and other outbreaks. The impact of such public health issues, including changes in consumer and business behavior, pandemic fears and market downturns, and restrictions on business and individual activities, may create significant volatility in the global economy and led to reduced economic activity. Our engineering and manufacturing operations, among others, cannot all be conducted in a remote working structure and often require on-site access to materials and equipment. We have customers with international operations in varying

industries, and depend on suppliers and manufacturers worldwide. Any pandemic and the associated business interruptions, our customers, suppliers, manufacturers and partners may suspend or delay their engagement with us, which could result in a material adverse effect on our results of operations and financial condition.

Environmental, Social and Governance ("ESG") matters, and unsuccessful management of such matters may impose additional costs and expose us to new risks.

Public ESG and sustainability reporting is becoming more broadly expected by investors, shareholders and other stakeholders and third parties. Certain organizations that provide corporate governance and other corporate risk information to investors and shareholders have developed, and others may in the future develop, scores and ratings to evaluate companies and investment funds based upon ESG or "sustainability" metrics. Many investment funds focus on positive ESG business practices and sustainability scores when making investments and may consider a company's ESG or sustainability scores as a reputational or other factor in making an investment decision. In addition, investors, particularly institutional investors, use these scores to benchmark companies against their peers and if a company is perceived as lagging, these investors may engage with such company to improve ESG disclosure or performance and may also make voting decisions, or take other actions, to hold these companies and their boards of directors accountable. We may face reputational damage in the event our corporate responsibility initiatives or objectives, including with respect to board diversity, do not meet the standards set by our investors, shareholders, lawmakers, listing exchanges or other constituencies, or if we are unable to achieve an acceptable ESG or sustainability rating from third party rating services. Ongoing focus on corporate responsibility matters by investors and other parties as described above may impose additional costs or expose us to new risks, including increased risk of investigation and litigation, and negative impacts on the value of our products and access to capital, which may put us at a commercial disadvantage relative to our peers.

We have been and continue to rigorously monitor a range of sustainability-related key performance indicators, setting up and monitoring ESG policies, strategies, principles and visions, and we have established an ESG committee to implement the ESG Policy, formulate ESG-related goals and organize their implementation. See "Business of the Target Group – Environmental, Social and Governance." Implementing our ESG Policy may result in increased costs in our supply chain, fulfillment, and corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. In addition, standards and research regarding ESG strategies could change and become more onerous both for us and our third-party suppliers and vendors to meet successfully. As such, there can be no certainty that we will be able to meet our ESG or other strategic objectives in an efficient and timely manner or at all, or that we will successfully meet societal expectations in this regard.

Furthermore, new climate change laws and regulations could require us to change our manufacturing processes or procure substitute raw materials that may cost more or be more difficult to procure. Various jurisdictions in which we do business have implemented, or in the future could implement or amend, restrictions on emissions of carbon dioxide or other greenhouse gases, limitations or restrictions on water use, regulations on energy management and waste management, and other climate change-based rules and regulations, which may

increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Future compliance with these laws and regulations may adversely affect our business and results of operations.

If we do not maintain sufficient inventory or if we do not adequately manage our inventory, we could lose sales or incur higher inventory-related expenses, which could negatively affect our operating results.

To ensure adequate inventory supply, we must forecast inventory needs and expenses, place orders sufficiently in advance with our suppliers and manufacturing partners and manufacture products based on our estimates of future demand and delivery schedules for particular products. Our ability to accurately forecast demand for our products could be affected by many factors, including the rapidly changing nature of the automotive-grade LiDAR markets in which we operate, the uncertainty surrounding the market acceptance and commercialization of LiDAR technology, the emergence of new markets or products, an increase or decrease in customer demand for our competitors' products and services, other health epidemics, pandemics and outbreaks, and any associated work stoppages or interruptions, unanticipated changes in general market conditions and the weakening of economic conditions or consumer confidence in future economic conditions. As of December 31, 2022, 2023, 2024 and May 31, 2025, our inventories amounted to US$32.1 million, US$37.6 million, US$20.5 million and US$22.1 million, respectively. Our inventory turnover days were 66.7 days, 77.9 days, 61.1 days and 71.1 days in 2022, 2023, 2024 and for the five months ended May 31, 2025, respectively. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would adversely affect our results of operations and financial condition, and have a negative effect on our brand. Conversely, if we underestimate customer demand for our products, we, or our manufacturing partners, may not be able to timely deliver products, which could result in damage to our brand and customer relationships and adversely affect our revenue and operating results.

We are subject to risks relating to litigation and disputes, which could adversely affect our business, results of operations, financial condition and prospects.

We have been, and may in the future be, subject to claims, litigation and disputes and various legal and administrative proceedings, and, as a result, penalties and new claims may arise in the future. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time consuming or disruptive to our operations and distracting to management.

During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our Directors were involved in or subject to any litigation, arbitration, administrative proceedings, claims, damages or losses which would have a material adverse effect on our business, results of operations, financial position and prospects as a whole. As of the Latest Practicable Date, save for the ongoing legal proceedings from Hesai Group, we were not aware of any pending or threatened material litigation, arbitration or administrative proceedings against us or any of our Directors, which individually or as a whole would have a material adverse effect on our business, results of operations, financial position and prospects. However, new legal or administrative proceedings and claims may arise in the future and the current legal or administrative proceedings and claims we face are subject to inherent uncertainties. If one or more legal or administrative matters were resolved against us or an indemnified third party for amounts in excess of our management's expectations, our business, results of operations, financial condition and prospects could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific performance against us that could materially and adversely affect our business, results of operations, financial condition and prospects. For further details regarding our legal proceedings and compliance matters, see "Business of the Target Group – Legal and Compliance Matters."

We rely, in part, on patents, unpatented proprietary know-how, trade secrets and contractual restrictions to protect our intellectual property and other proprietary rights. Failure to adequately obtain, maintain, enforce and protect our intellectual property and other proprietary rights may undermine our competitive position and could materially and adversely affect our business, prospects, results of operations or financial condition.

Our success depends, in part, on our ability to obtain, maintain, enforce and protect our brand, trade secrets, trademarks, patents, domain names, copyrights and proprietary methods and technologies, whether registered or not, that we developed under intellectual property laws of China, the United States and other jurisdictions, so that we can prevent others from using our inventions and proprietary information. We currently rely on patents, trademarks, copyrights and trade secret law to protect our intellectual property rights, as well as a combination of third-party non-disclosure and confidentiality agreements and other contractual provisions. However, despite our efforts to obtain, maintain, enforce and protect intellectual property rights, there can be no assurance that such efforts will be adequate to prevent our competitors or other third parties from copying, reverse engineering or otherwise obtaining and using our technology or products. In addition, we cannot assure you that any of our intellectual property rights will not be challenged, invalidated or circumvented, or that our intellectual property will be sufficient to provide us with competitive advantages. Because of the rapid pace of technological change, we cannot assure you that all of our proprietary technologies and similar intellectual property rights can be patented in a timely or cost-effective manner, or at all. Failure to adequately obtain, maintain, enforce and protect our intellectual property could result in our competitors offering identical or similar products, potentially resulting in the loss of our competitive advantage and a decrease in our revenue which would adversely affects our business, prospects, financial condition and results of operations.

The measures we take to obtain, maintain, protect and enforce our intellectual property, including preventing unauthorized use by third parties, may not be effective for various reasons, including the following:

- any patent applications we file may not result in the issuance of patents;
- we may not be the first inventor of the subject matter to which we have filed a particular patent application, and we may not be the first party to file such a patent application;
- the scope of our issued patents may not be broad enough to protect our inventions and proprietary technology;
- our issued patents may be challenged or invalidated by our competitors or other third parties;
- patents have a finite term, and competitors and other third parties may offer identical or similar products after the expiration of our patents that cover such products;
- our employees, contractors or business partners may breach their confidentiality, non-disclosure and non-use obligations;
- competitors and other third parties may independently develop technologies that are the same or similar to ours;
- the costs associated with enforcing patents or other intellectual property rights, or confidentiality and invention assignment agreements may make enforcement impracticable; and
- competitors and other third parties may circumvent or otherwise design around our patents or other intellectual property.

Third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights, trade secrets or other intellectual property, or applications for any of the foregoing, which could permit our competitors or other third parties to develop and commercialize products and technologies that are the same or similar to ours. While we have registered and applied for trademarks in an effort to protect our brand and goodwill with customers, competitors or other third parties have in the past and may in the future oppose our trademark applications or otherwise challenge our use of the trademarks and other brand names in which we have invested. Such oppositions and challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark. In addition, we may lose our trademark rights if we are unable to submit specimens of use by the applicable deadline to perfect such trademark rights.

Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the infringement, misappropriation or other violation of our intellectual property. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others or defend against claims of infringement, misappropriation, violation or invalidity. Such litigation could be costly, time-consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property and have an adverse effect on our business, operating results and financial condition. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe, misappropriate or otherwise violate the counterclaimant's own intellectual property. Any of our patents, trade secrets, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. We can provide no assurance that we will prevail in such litigation. In addition, our proprietary methods and technologies that are regarded as trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors and in these cases we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions.

There can be no assurance that our particular ways and means of protecting our intellectual property and proprietary rights, including business decisions about when to file patent applications and trademark applications, will be adequate to protect our business or that our competitors will not independently develop similar technology. We could be required to spend significant resources to monitor and protect our intellectual property rights. If we fail to protect and enforce our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and our business, operating results and financial condition could be adversely affected.

If we are unable to maintain, protect and enforce the confidentiality of our trade secrets, our business and competitive position would be harmed.

In order to safeguard our innovations and competitive advantages, we partially rely on trade secrets. we cannot guarantee that we will be successful in maintaining, protecting, or enforcing the confidentiality of our trade secrets or that our non-disclosure agreements will provide sufficient protection of our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or other disclosure.

We maintain and facilitate certain technical measures and access control mechanism internally to ensure secure access to our proprietary information by our employees and consultants. However, these may not be self-executing and may not otherwise adequately protect our intellectual property, particularly with respect to conflicts of ownership relating to work product generated by the employees and consultants. We cannot provide any assurances

that any of these parties may not breach the agreements and disclose proprietary information, including our trade secrets, and we cannot guarantee that adequate remedies will be available to rectify any subsequent damages or losses of confidential and proprietary information. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. It is also possible that our trade secrets will become known by some other mechanism or independently developed by our competitors, and we would have no right to prevent them from using that technology or information to compete with us.

If our employees and consultants do not fully comply with our internal policies, such policies may not effectively prevent disclosure of our confidential information, and it may be possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information.

Furthermore, we cannot be certain that these agreements will not be breached by counterparties and that third parties will not gain access to our trade secrets, know-how and other proprietary technology, to which there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. To the extent we expand our international activities, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase.

We may from time to time be subject to claims or threatened claims initiated by third parties for alleged infringement, misappropriation or other violation of their proprietary technology or other intellectual property rights, which could be time-consuming and costly and result in significant legal liability or require us to cease using certain technology or other intellectual property rights, which could harm our business.

Although we hold key patents related to our products, a number of other companies, both within and outside of the LiDAR industry, hold other patents covering aspects of LiDAR solutions. In addition to these patents, players in this industry typically also protect their technology, especially embedded software, through copyrights and trade secrets. As a result, there is frequent litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. We have received, and from time to time in the future may receive, inquiries from other intellectual property holders and may become subject to claims, threatened claims or legal proceedings involving intellectual property rights, particularly as we expand our presence in the market, expand to new use cases and face increasing competition. For example, in October 2025, we were notified of four patent infringement lawsuits related to our Robin E1X solutions filed against us by Hesai Group in the Ningbo Intermediate People's Court, Zhejiang Province, China. We believe these claims are without merit, and our Litigation Counsels have advised that it is highly unlikely the claims will prevail. However, litigation or any other legal proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. As of the Latest Practicable Date, the lawsuits have not yet entered the

substantive hearing stage and we are actively preparing our defense. See "Business of the Target Group — Legal and Compliance Matters" for further details. In addition, parties may claim that the names and branding of our products infringe their trademarks in certain countries or territories. If such a claim were to prevail, we may have to change the names and branding of our products in the affected territories and we could incur other costs.

We currently have a number of agreements in effect pursuant to which we have agreed to defend, indemnify and hold harmless our customers, suppliers, and channel partners and other partners from damages and costs which may arise from the infringement by our products of third-party patents or other intellectual property rights. The scope of these indemnity obligations varies, but may, in some instances, include indemnification for damages and expenses, including attorneys' fees. Our insurance may not cover all intellectual property infringement claims. Any claims, actions or other proceedings brought by third parties against us or any of our subsidiaries and affiliates for infringement of intellectual property rights could result in fines, penalties and cease or injunction orders, any of which could harm our reputation and adversely affect our business, particularly our relationships with our customers, and may deter future customers from purchasing our products and could expose us to costly litigation and settlement expenses. Even if we are not a party to any litigation between a customer and a third party relating to infringement by our products, an adverse outcome in any such litigation could make it more difficult for us to defend our products against intellectual property infringement claims in any subsequent litigation in which we are a named party. Any of these results could adversely affect our brand and operating results. Our defense of intellectual property rights claims brought against us or our customers, suppliers and channel partners, with or without merit, could be time-consuming, expensive to litigate or settle, divert management resources and attention and force us to acquire intellectual property rights and licenses, which may involve substantial royalty or other payments and may not be available on acceptable terms or at all. Further, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages or obtain an injunction. An adverse determination also could invalidate our intellectual property rights and adversely affect our ability to offer our products to our customers and may require that we procure or develop substitute products that do not infringe, which could require significant effort and expense. Any of these events could adversely affect our business, operating results, financial condition and prospects.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how, which could also subject us to operational risks.

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable or subject to copyright, trademark, trade dress or service mark protection, or that we believe is best protected by means that do not require public disclosure.

We generally seek to protect this proprietary information by entering into confidentiality agreements, or services or employment agreements that contain non-disclosure and non-use provisions with our employees, contractors and third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our

proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our current or future manufacturing partners and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, advisors and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights.

Although employees, including our senior management, executed proprietary rights, non-disclosure or non-competition agreements in connection with such previous employment, we may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our employees' former employers.

We may be subject to claims that we or our current or former employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of a current or former employee's former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

We may not be able to obtain and protect our intellectual property rights throughout the world.

Patent, trademark, copyright and trade secret laws vary significantly throughout the world, and the laws of some countries do not protect intellectual property and other proprietary rights to the same extent as the laws of the United States. Our intellectual property may not be as strong or as easily obtained or enforced outside of the United States, where the laws of some foreign countries may not be as protective of intellectual property rights as those in the United

States, and mechanisms for obtaining and enforcing intellectual property rights may be inadequate. Further, policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, even in jurisdictions where we do pursue patent protection or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not pursued and obtained patent protection to develop products and, further, may export otherwise infringing products to territories in which we have patent protection, but where enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents, if pursued and obtained, or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Interruption or failure of our information technology and communications systems could impact our ability to effectively provide services.

The availability and effectiveness of our customer services depend on the continued operation of information technology and communications systems. Our systems may be vulnerable to damage or interruption from, among others, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, viruses, denial or degradation of service, attacks, ransomware, social engineering schemes, insider theft or misuse or other attempts to harm our systems. We utilize reputable third-party service providers or vendors to maintain our systems, and these providers could also be vulnerable to harms similar to those that could damage our systems, including sabotage and intentional acts of vandalism causing potential disruptions. Some of our systems will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems with our third-party cloud hosting providers could result in lengthy interruptions in our business.

We are subject to compliance risks with respect to the ever-evolving U.S. export control restrictions.

During the Track Record Period, we have generated sales revenue through our U.S. subsidiary and engaged certain U.S. persons and U.S.-origin content (including, U.S. chips and U.S. technology) in our R&D and production process. We are of the view that our products are not subject to the Export Administration Regulations (the "**EAR**") of the U.S. Even assuming that we are subject to the EAR and our products are classified as EAR99, our sales of our EAR99 products did not represent a violation of the U.S. export controls. See "Business of the Target Group – Our Customers – Sales of Our Products". During the Track Record Period, we procured certain chips subject to the EAR. Such chips are either classified under EAR99 or under the following ECCNs (Export Control Classification Numbers): 3A991.a.ii and 5A992.c. Based on the review of Hogan Lovells International LLP, our U.S. export control legal advisor, our procurement activities did not represent a violation of the U.S. export controls because (i) we did not have sales to any BIS Lists Entities; (ii) we did not have sales to any entities headquartered in or ordinarily resided in, or owned or controlled by a government of any AT Sanctioned Countries; (iii) we have not engaged in transactions that involve or benefit any "military end-users" or "military end-use;" and (iv) our activities did not involve certain prohibited end-uses set forth in section 744.23 of the EAR. See "Business of the Target Group – Our Suppliers – Supplier Selection and Management – Procurement of U.S. Chips". However, the BIS Entity List, the list for the AT Sanctioned Countries or the definition of "military end-users" may change and expand, and our procurement activities that were not in violation of U.S. export control rules may be deemed as violating the newly amended U.S. export control rules. Such violations may negatively impact our sales and procurement activities, which may in turn adversely affect our business prospects and results of operations.

We are potentially subject to other investment restrictions.

Additionally, as our business is closely interrelated with our customers and suppliers, if our customers and suppliers are subject to restrictive measures of trade protection or export controls, such as the implementation of any new tariffs, legislation or regulations, including those imposing economic or trade sanctions and those regarding export control or outbound investments, and/or renegotiation of existing trade agreements, our business, financial conditions and results of operations could be materially and adversely affected.

Moreover, we may be subject to review and enforcement under domestic and foreign laws that screen foreign investment and acquisitions. In both the U.S. and non-U.S. jurisdictions, these regulatory requirements may treat companies differently based on the type of company in question and investor profile in the company. As a result of these laws, investments by particular investors may need to be filed with local regulators, which in turn may impact our financing and operations; and investments by particular investors may be prohibited, which limits our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently issued U.S. government regulations, such as a final rule (the "**Final Rule**") implementing Executive Order 14105 which took effect in January 2025, will restrict direct and indirect investment by

U.S. persons (as defined under the Final Rule) into companies with specified connections to China that use specific technologies of concern. Notably, on February 21, 2025, the U.S. government issued the "America First Investment Policy" proposing to further expand the set of technologies of concern.

The Final Rule imposes notification requirements or prohibitions on certain U.S. person transactions involving "covered foreign persons". "Covered foreign persons" include (i) "persons of a country of concern" that are engaged in "covered activities", and (ii) persons with a significant financial nexus with "persons of a country of concern" that are engaged in "covered activities." "Covered activities" are certain activities in the semiconductor and microelectronic, quantum information technologies, or artificial intelligence ("**AI**") sectors, as set forth in the Final Rule's definitions of "notifiable transaction" and "prohibited transaction."

We are a "person of a country of concern" as defined under the Final Rule. However, Hogan Lovells International LLP, our U.S. foreign investment laws legal advisor, that based on the information provided to date by us, has advised that there is a reasonable argument that we are not such a "covered foreign person", because we have not engaged in "covered activities" under the Final Rule, so we are not subject to the notification or prohibition requirements under the Final Rule. We have been advised by our U.S. foreign investment laws legal advisor, there is a reasonable argument that we have not engaged in "covered activities" under the Final Rule, on the basis that (i) we are not engaged in any activities in the semiconductor and microelectronics or quantum information technologies sectors; (ii) although we are engaged in the development of "AI systems", as defined in the Final Rule, based on the information provided to date by us, it appears that there is a reasonable argument that the our products do not meet the criteria, such as AI systems designed to be exclusively used for, or intended to be used for, certain military or government intelligence or mass surveillance end uses; or trained using a quantity of computing power greater than 10^23 computational operations generally, set forth in the Final Rule's definitions of "notifiable transaction" and "prohibited transaction". As advised by our U.S. foreign investment laws legal advisor that there is a reasonable argument that a U.S. person would not be restricted from investing in the Target Company, including the participation in the Permitted Equity Financing in accordance with the Final Rule. Our Directors are therefore of the view, and the Joint Sponsors concur, that the Final Rule will not likely have a material adverse impact on the Company. However, the interpretation and enforcement of these rules are evolving and the U.S. and other authorities may take a different view, and if there are any such changes in the future, either to the rules or to our business, our future fundraising activities may potentially be subject to restrictions regarding investments. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

Trade disputes, tariffs, export controls, sanctions, investment restrictions and other political tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns. While we actively monitor these risks, any prolonged economic downturn or escalation in trade tensions could materially and adversely affect our business, ability to access the capital markets or other financing sources, financial conditions, results of operations and prospects.

We are subject to cybersecurity risks to operational systems, security systems, infrastructure, and integrated software in our LiDAR sensor hardware, and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business.

We are at risk for interruptions, outages and breaches of our (i) operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers; (ii) facility security systems, owned by us or our third-party vendors or suppliers; (iii) in-product technology owned by us or our third-party vendors or suppliers; or (iv) the integrated software in our LiDAR solutions. Any cyber incidents on the operational systems of ours, our suppliers or customers could (i) materially disrupt the normal functioning of our supply chains; (ii) result in loss of intellectual property, trade secrets or other proprietary or competitively sensitive information; (iii) compromise certain information of customers, employees, suppliers, or others; (iv) jeopardize the security of our facilities; and (v) affect the performance of in-product technology and the integrated software in our LiDAR solutions. We conduct business with many of our suppliers and customers through digitized means during our ordinary course of business: we electronically place orders for raw materials with our suppliers, receive orders from customers, and settle payments with parties through operational systems of suppliers, vendors and customers. Any cybersecurity incidents, including malfunctions and attacks of these operational systems of ours or of our suppliers and customers, may interrupt our ability to perform the abovementioned functions, and hinder or delay our ability to timely purchase raw material, deliver finished goods, and settle payments, among other activities, during our ordinary course of business. In addition, these attacks may also put certain sensitive information in jeopardy of being exposed, such as confidential product pricing, quantity, and specification information, among others.

A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods. Although we maintain information technology measures designed to protect ourselves against intellectual property theft, data breaches and other cyber incidents, such measures require updates and improvements, and may be inadequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost.

Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or produce, sell, deliver and service our products, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that the systems upon which we rely, including third-party products, software, or services used in our systems, will be effectively implemented, maintained or expanded as planned. If we do not successfully implement, maintain or expand

these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or intellectual property could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

RISKS RELATED TO DOING BUSINESS IN CHINA

Changes in China's or global economic or social conditions or government policies could have a material and adverse effect on our business and operations.

Substantially all of our operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by economic and social conditions in China generally and by continued economic growth in China as a whole.

In addition, the global economic, political and social conditions are evolving rapidly and are subject to uncertainties. For example, health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases, instability in the financial system, and the tightening of monetary policy by the U.S. Federal Reserve impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures may have a significant impact on the targeted countries, markets and/or entities. Chinese companies may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these complicated regulations and measures and could face penalties for any violation, even if inadvertent.

We are subject to PRC laws and regulations that could require us to modify our current business practices and incur increased costs.

We are subject to national, provincial and local governmental regulations and policies, covering, among others and in addition to specific industry-related regulations, the following aspects: (i) consumer protection and product liability; (ii) cybersecurity, data security and protection of personal information; (iii) security laws and regulations; (iv) establishment of or changes in shareholder of foreign investment enterprises; (v) foreign exchange; and (vi) taxes, duties and fees.

The liabilities, costs, obligations and requirements associated with these laws and regulations may cause interruptions to our operations or impact our financial position and results of operations. Failure to comply with the relevant laws and regulations in our operations may result in various penalties, including, among others, the suspension of our operations and thus adversely and materially affect our business, prospects, financial condition and results of operations. Additionally, there can be no assurance that the relevant government agencies will not change such laws or regulations or impose additional or more stringent laws or regulations. Compliance with such laws or regulations may require us to incur material capital expenditures or other obligations or liabilities. Legal requirements are changing and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

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

According to applicable PRC laws and regulations, we may be required to make filings with or report to the CSRC or other PRC governmental authorities for our capital raising activities. Any failure or perceived failure to make filings, report or comply with other applicable laws and regulations would have a material adverse effect on our capital raising activities and result in negative publicity and legal proceedings or regulatory actions against us.

On July 6, 2021, the General Office of the State Council, together with another regulatory authority, jointly promulgated the Opinions on Strictly Combating Illegal Securities Activities in Accordance with the Law (關於依法從嚴打擊證券違法活動的意見), which calls for, among others, enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities.

In addition, according to the Trial Measures, any future issuance or offering after our listing may also be subject to filing or report procedures of the CSRC and we are also required to report certain material matters to the CSRC after our listing. Any failure to perform such filing or reporting procedures would subject us to administrative penalties by the CSRC which could harm our reputation and may adversely affect our results of operations or financial condition.

Furthermore, on February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Confidentiality Provisions"), which also came into effect on March 31, 2023. Pursuant to the Confidentiality Provisions, any future inspection or investigation conducted by overseas securities regulators or the relevant competent authorities on our PRC domestic companies with respect to our overseas issuance and offering shall be carried out in a manner that is in compliance with PRC laws and regulations.

The political relationships between China and other countries may affect our business operations.

During the Track Record Period, we sourced certain key components for our products from overseas suppliers. If China or the countries from which we source key components impose import tariffs, trade restrictions, or other barriers, we may face disruptions in our supply chain, limiting our ability to secure necessary components at competitive prices, which could materially and adversely affect our business and operations.

We also sell our products in foreign jurisdictions, including the United States, exposing us to evolving international economic, regulatory, social, and political conditions. Changes in these conditions or adverse developments in political relationships between China and relevant foreign countries or regions could alter the perceptions or preferences of our business partners and customers. Trade tensions between the U.S. and China, in particular, may bring uncertainties for our business.

The U.S. government has advocated for and implemented measures restricting trade in certain goods, particularly from China. For example, the U.S. Department of Commerce finalized a rule restricting transactions involving connected vehicles and components, including those related to automated driving systems (ADS), with a nexus to China or Russia. This rule applies to software in vehicles starting with model year 2027, hardware for model year 2030, and for equipment without a model year, effective from January 1, 2029. As a LiDAR supplier with a nexus to China, our products may fall within the scope of this rule, leading to potential challenges. Customers, particularly those producing U.S.-bound EVs, may cease purchasing from us to avoid regulatory risks. Such actions could result in revenue loss, weakened customer relationships, and reduced competitiveness in the U.S. market, adversely impacting our operations, financial performance, and growth prospects.

Additionally, the evolving trade policies of the U.S. and China remain uncertain, with potential changes in tariffs, regulatory requirements, and trade restrictions that could impact our ability to plan and operate effectively in the U.S. market. Since 2018, the United States government imposed several rounds of tariffs on Chinese products. Between February and April 2025, the U.S. government further announced several rounds of new tariffs on imports from China. The U.S. government may in the future continue to increase the tariffs. Meanwhile, China has implemented, and may further implement, measures in response to the heightened tariffs against Chinese products initiated by the U.S. government. While the U.S. and China reached a joint agreement to ease tensions by canceling and suspending certain tariffs in May 2025, there can be no assurance as to whether the U.S. will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. In 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, our revenue derived from products sold to the U.S. amounted to US$0.8 million, US$3.0 million, US$2.6 million, US$1.2 million and US$1.5 million, respectively, which accounts for less than 3% of our revenue for each year or period, respectively. In 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, our purchase of materials imported from the U.S. amounted to US$0.4 million, US$4.2 million, US$8.2 million, US$2.0 million and nil, respectively, which accounts for less than 5% of our total procurement costs for each year or period, respectively.

Trade tension between China and the U.S. may intensify and the U.S. may adopt even more drastic measures in the future. China has retaliated and may further retaliate in response to new trade policies, treaties and tariffs implemented by the U.S. Any further escalation in trade or other tensions between the U.S. and China or news and rumors of any escalation, could introduce uncertainties to the global economy which in turn could affect our business operations. Higher tariffs may increase the cost of our goods for U.S. customers, potentially reducing demand for our products, weakening our competitive position, and negatively affecting our revenue. Foreign policies of the U.S. tend to be followed by certain other countries, and those countries may adopt similar policies in their relationships with China and the Chinese companies. In addition, those policies and measures directed at China and Chinese companies adopted by the U.S. government could have effect of discouraging U.S. persons from working for Chinese companies, which could hinder our ability to hire and retain qualified personnel for our business.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The conversion of RMB into foreign currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the People's Bank of China. It is difficult to predict how market forces or government policies may impact the exchange rate between RMB, Hong Kong dollars, U.S. dollars or other currencies in the future. The value of RMB against Hong Kong dollars, U.S. dollars and other currencies is affected by changes in global political and economic conditions and by China's foreign exchange and monetary policies, among other things. We cannot assure you that RMB will not fluctuate significantly in value against Hong Kong dollars and U.S. dollars in the future. In 2023, we had net foreign exchange losses of US$2.3 million. In 2024, we had net foreign exchange gain of US$0.2 million. In the five months ended May 31, 2025, we had a net foreign exchange loss of US$0.4 million. The functional currency of our subsidiaries in the U.S., the Cayman Islands and Hong Kong is U.S. dollars. In 2022, we recognized exchange difference losses on translation from functional currency to presentation currency of US$3.7 million in other comprehensive income.

Any significant fluctuation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of, and any dividends payable on, our Shares. For example, to the extent that we need to convert Hong Kong dollars and U.S. dollars we receive into RMB to pay our operating expenses, appreciation of RMB against Hong Kong dollars and U.S. dollars would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of RMB against Hong Kong dollars and U.S. dollars may significantly reduce the Hong Kong dollar or the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our Shares.

As of the Latest Practicable Date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition,

our currency exchange losses may be magnified by PRC exchange regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Governmental regulation of currency conversion may limit our ability to utilize our revenue effectively and affect the value of your investment.

The PRC government imposes regulations on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenue in RMB. Under our current corporate structure, our Company in the Cayman Islands may rely on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade-and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our wholly foreign-owned subsidiaries in China are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. An approval from or registration with appropriate government authorities or delegated banks is required where RMB is to be converted into foreign currencies and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If the competent authorities impose additional regulatory requirements on the convertibility of the RMB into foreign currencies in the future, and if such new regulatory requirements prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demand, we may not be able to pay dividends in foreign currencies to our shareholders.

PRC regulations establish procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC regulations and rules concerning mergers and acquisitions including the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, the M&A Rules require that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds famous trademarks or PRC time-honored brands.

In addition, on December 19, 2020, the Measures for the Security Review for Foreign Investment (外商投資安全審查辦法) was jointly issued by the NDRC and the MOFCOM and took effect from January 18, 2021. The Measures for the Security Review for Foreign

Investment (外商投資安全審查辦法) specify that foreign investments in military, national defense-related areas or in locations in proximity to military facilities, or foreign investments that would result in acquiring the actual control of assets in certain key sectors, such as critical agricultural products, energy and resources, equipment manufacturing, infrastructure, transport, cultural products and services, information technology, internet products and services, financial services and technology sectors, are required to obtain approval from designated government authorities in advance. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts or other relevant government agencies, may delay or inhibit our ability to complete such transactions. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our wholly foreign-owned subsidiaries in China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit these subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知), or SAFE Circular 37, in July 2014. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." The term "control" under SAFE Circular 37 is defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. In February 2015, SAFE issued the Circular of the SAFE on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知), or SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 has delegated to the qualified banks the authority to register all PRC

residents' investment in a "special purpose vehicle" pursuant to SAFE Circular 37, except that those PRC residents who have failed to comply with SAFE Circular 37 will remain within the jurisdiction of the local SAFE branch and must make their supplementary registration application with the local SAFE branch.

We have requested PRC residents who we know hold direct or indirect interest in our Company to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our Company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations upon our listing. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

Our business benefits from certain government grants, financial incentives, discretionary policies and preferential tax treatments granted by local governments. Expiration of, or changes to, these incentives, policies or preferential tax treatments would have an adverse effect on our results of operations.

In the past, local governments in China granted us certain financial incentives from time to time as part of their efforts to encourage the development of local businesses. In 2022, 2023, 2024, and five months ended May 31, 2024 and 2025, we recognized US$0.5 million, US$1.1 million, US$1.3 million, US$0.2 million and US$2.0 million, of income from government grants in consolidated income statements, respectively. In addition, one of our subsidiaries were approved as "high and new technology enterprise" in November 2023, and, accordingly enjoy a preferential income tax rate of 15% from 2023 to 2025. Certain of our subsidiaries in the PRC enjoy the Super Deduction of tax in relation to R&D activities. See "Financial Information of the Target Group – Taxation – PRC" and Note 11 to the Accountant's Report in Appendix I to this circular for more details. However, the timing, amount and criteria of government financial incentives are determined within the discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. Local governments may decide to reduce or eliminate incentives. We cannot assure you of the continued availability of the government incentives and preferential tax treatments currently enjoyed by our PRC subsidiaries. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), or the EIT Law, and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. On April 22, 2009, the SAT, issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. If the PRC tax authorities determine that the Target Company, Successor Company or any of their non-PRC subsidiaries should be classified as a PRC resident enterprise for PRC tax purposes, such entity would be subject to PRC enterprise income tax on its worldwide income at the rate of 25%, which may have a material adverse effect on our financial condition and results of operations, as well as PRC enterprise income tax reporting obligations. Notwithstanding the foregoing discussion, the EIT Law provides that, if a PRC resident enterprise directly invests in another PRC resident enterprise, the dividends received by the investing PRC resident enterprise from the invested PRC resident enterprise are exempted from income tax, subject to certain conditions. However, the tax resident status of an offshore company with indirect ownership interests in PRC resident enterprises through intermediary holding companies is subject to further clarification from the PRC regulators.

Moreover, if the PRC tax authorities determine that the Successor Company is a PRC resident enterprise for PRC enterprise income tax purposes, gains realized on the sale or other disposal of our Shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC resident enterprises, or 20% in the case of non-PRC resident individuals, if such gains are deemed to be from PRC sources. Furthermore, if the Successor Company is treated as a PRC tax resident enterprise, it may be required to withhold a 10% tax from dividends we pay to our Shareholders that are non-resident enterprises, or 20% in the case of individual Shareholders. Any PRC tax may be reduced by applicable tax treaties, but there can be no assurance that Shareholders would be able to obtain the benefits of treaties. Any such tax may reduce the returns on your investment in our Shares.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies, and heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

The SAT has issued several rules and notices to tighten the scrutiny over acquisition transactions, including the Notice on Several Issues Regarding the Income Tax of Non-PRC Resident Enterprises (關於非居民企業所得税管理若干問題的公告) issued in March 2011, or SAT Circular 24, and the Notice on Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-PRC Resident Enterprises (關於非居民企業間接轉讓財產企業所得税若干問題的公告) issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, if a non-PRC resident enterprise indirectly transfers PRC taxable properties, referring to properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise, by disposing of equity interest in an overseas holding company, such indirect transfer should be deemed as a direct transfer of PRC taxable properties and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial

purpose. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable under PRC law: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC income tax on the direct transfer of such assets. Nevertheless, the indirect transfer falling into the safe harbor available under SAT Circular 7 may not be subject to PRC tax and the scope of the safe harbor includes qualified group restructuring as specifically set out in SAT Circular 7, public market trading and tax treaty exemptions.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source (國家税務總局關於非居民企業所得税源泉扣繳有關問題的公告), or SAT Public Notice 37, effective from December 2017. SAT Public Notice 37 replaced a series of important circulars, including but not limited to SAT Circular 698, and revised the rules governing the administration of withholding tax on China-source income derived by a non-resident enterprise. SAT Public Notice 37 provides for certain key changes to the current withholding regime, for example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under SAT Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Circular 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

We face uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Company and other non-PRC resident enterprises in our group may be subject to filing obligations or may be taxed if our Company and other non-PRC resident enterprises in our group are transferors in such

transactions, and may be subject to withholding obligations if our Company and other non-PRC resident enterprises in our group are transferees in such transactions. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-PRC resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We have conducted acquisition transactions in the past and may conduct additional acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

We are subject to risks associated with our leased properties.

We have leased certain properties in China as our offices. Pursuant to the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. In practice, as the filing of the lease agreements requires the coordination of both lessors and lessees, we cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Although we have reached out to our lessors for their necessary support with regard to the filing of the lease agreements, as of the Latest Practicable Date, we and our lessors failed to register eight out of nine lease agreements with relevant governmental authorities due to various reasons, including without limitation, the failure or unwillingness of the lessors to provide relevant documents. Although failure to register the lease agreements does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties, which may negatively affect our ability to operate our business covered under those leases. In addition, we may be required by relevant PRC governmental authorities to register such lease agreements within a prescribed timeframe, and failure to do so may subject us to fines. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease agreement. As of the Latest Practicable Date, we had

not been subject to any penalties arising from the non-registration of lease agreements. However, we cannot assure you that we would not be subject to any penalties and/or requests from the relevant governmental authorities to fulfill the registration requirements, which may increase our costs in the future.

In addition, as our leases expire, we may face difficulties renewing them, either on commercially acceptable terms or at all. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

RISKS RELATED TO THE DE-SPAC TRANSACTION AND THE SECURITIES OF TECHSTAR AND THE SUCCESSOR COMPANY

If the De-SPAC Transaction's benefits do not meet the expectations of investors or securities analysts, the market price of the TechStar Class A Shares and the TechStar Listed Warrants or, following the Closing, the Successor Company Shares and the Successor Company Listed Warrants, may decline.

The unaudited pro forma financial information included in this circular is presented for illustrative purposes only and is not necessarily indicative of what the Successor Group's actual financial position or results of operations would have been had the De-SPAC Transaction been completed on the dates indicated. If the perceived benefits of the De-SPAC Transaction do not meet the expectations of investors or securities analysts, the market price of the TechStar Class A Shares and the TechStar Listed Warrants prior to Closing may decline.

In addition, following the De-SPAC Transaction, fluctuations in the price of the Successor Company Shares and the Successor Company Listed Warrants could contribute to the loss of all or part of your investment. Prior to the De-SPAC Transaction, there has not been a public market for securities of the Target Group. The Negotiated Value of the Target Company in connection with the De-SPAC Transaction was determined through arm's length negotiations with the Target Company and the PIPE Investors after taking into account various considerations (as further described in "Letter from TechStar Board – G. PIPE Investments") and such Negotiated Value may not be indicative of the price of the Successor Company Shares that will prevail in the trading market following the De-SPAC Transaction. TechStar has limited ability to assess the Target Group's business, management and systems, and cannot provide any assurances as to the Successor Company's prospects or success as a publicly listed company.

If an active market for the Successor Company Shares and the Successor Company Listed Warrants develops and continues, the trading price of the Successor Company Shares and the Successor Company Listed Warrants following the De-SPAC Transaction could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond the Successor Company's control. The Successor Company Shares may trade at prices significantly

below HK$10.00, being the price at which the TechStar Class A Shares were issued at the time of its initial offering and the subscription price for each PIPE Investment Share. In such circumstances, the trading price of the Successor Company Shares may not recover and may experience a further decline.

TechStar Class A Shareholders may exercise their Redemption Right and Appraisal Right with respect to a large number of the TechStar Class A Shares, and the Successor Company may not meet the requirement of the minimum number of Professional Investors set out in the Listing Rules.

The Listing Rules require that the Successor Company must have at least 100 Professional Investors as holders of the Successor Company Shares at the time of the listing of the Successor Company Shares on the Stock Exchange. At the time of signing the Business Combination Agreement and up to the EGM, TechStar will not know how many TechStar Class A Shareholders will exercise their Redemption Right and Appraisal Right. If a large number of TechStar Class A Shareholders exercise their Redemption Right and Appraisal Right and a sufficient number of additional investors cannot be found prior to Closing to subscribe for Successor Company Shares at Closing pursuant to the Permitted Equity Financing, the Successor Company may not have the required minimum number of Professional Investors as its shareholders to meet the requirement set out in the Listing Rules. In this case, unless a waiver from strict compliance with the relevant Listing Rule requirement is granted by the Stock Exchange, the Successor Company will not satisfy the requirement for listing on the Stock Exchange, and TechStar and the Target Company will not be able to complete the De-SPAC Transaction. There is no assurance that the Stock Exchange will grant such waiver.

There is no guarantee that any TechStar Class A Shareholder's decision as to whether to redeem its TechStar Class A Shares for a pro rata portion of the Escrow Account will place the TechStar Class A Shareholder in a better future economic position.

There is no assurance as to the price at which an TechStar Class A Shareholder (assuming it does not redeem its TechStar Class A Shares) may be able to sell the Successor Company Shares in the future following the completion of the De-SPAC Transaction.

Certain events following the completion of the De-SPAC Transaction may cause an increase in the share price of the Successor Company Shares, and may result in a lower value realized now by an TechStar Class A Shareholder redeeming its TechStar Class A Shares than if that shareholder did not exercise its redemption right. Similarly, if an TechStar Class A Shareholder does not redeem its TechStar Class A shares, such shareholder will bear the risk of ownership of the Successor Company Shares after the completion of the De-SPAC Transaction, and there can be no assurance that such shareholder can sell its Successor Company Shares in the future for a price that is higher than the redemption price which is not less than HK$10.00 per share as set out in this circular. Any TechStar Class A Shareholder who is in doubt as to its position or any action to be taken is recommended to consult its own professional advisers.

The Promoters' economic interests or other conflicts of interest may incentivize them to complete the De-SPAC Transaction which may not be in the best interests of TechStar Shareholders.

The Promoters beneficially own or have a pecuniary interest in the TechStar Class B Shares and the TechStar Promoter Warrants that they purchased simultaneously with the offering of the TechStar Class A Shares in 2022 for the aggregate price of approximately HK$40.0 million (at the subscription price of HK$0.0001 per Class B Share and HK$1.00 per TechStar Promoter Warrant). The Promoters have made available to TechStar an interest-free Loan Facility in an aggregate principal amount of HK$10.0 million (HK$5.0 million of which had been drawn down as of September 30, 2025) to finance expenses in excess of the amounts available from the issue of the TechStar Class B Shares and the TechStar Promoter Warrants. The Promoters' investment in the TechStar Class B Shares and the TechStar Promoter Warrants, together with any loans drawn down under the Loan Facility, represent the Promoters' "at-risk" capital.

Pursuant to the De-SPAC Transaction, the TechStar Class B Shares held by the Promoters will be exchanged for Successor Company Shares and the TechStar Promoter Warrants will be exchanged for Successor Company Promoter Warrants (which will, following the completion of the De-SPAC Transaction and subject to the terms and conditions of the Successor Company Promoter Warrants, be exercisable for Successor Company Shares). The potential upside of the Promoters' investment will only be realized if the De-SPAC Transaction is completed, as the TechStar Class B Shares and TechStar Promoter Warrants will become worthless if a De-SPAC transaction is not completed within the deadline stipulated under the Listing Rules.

Furthermore, pursuant to the underwriting agreement in connection with the offering of TechStar Class A Shares and TechStar Listed Warrants dated December 23, 2022, the underwriters therein, including, among others, two of the Promoters or their affiliates, where applicable, may receive deferred underwriting commissions of up to HK$35.0 million upon closing of a de-SPAC transaction.

If the De-SPAC Transaction is not completed, TechStar will repay any loans drawn under the Loan Facility from any available funds held outside the Escrow Account and if such amounts are insufficient to repay any outstanding loan amounts in full, the Promoters have agreed to waive their right to such repayment. In addition, if the De-SPAC Transaction is not completed, the Promoters will be liable for ensuring that the proceeds in the Escrow Account are not reduced by the claims of the Target Group or claims of vendors or other entities that are owed money by TechStar for services rendered or contracted for or products sold to TechStar, but only if such entity has not executed a waiver agreement.

These interests and relationships may have influenced the Promoters and the TechStar Board to pursue and recommend the De-SPAC Transaction. In considering the recommendation of the TechStar Board to vote in favor of the De-SPAC Transaction and other resolutions at the EGM, TechStar Class A Shareholders should consider these interests.

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders or does not proceed to completion for any other reason, and TechStar is unable to complete a de-SPAC transaction with another de-SPAC target by the time limit provided for in the Listing Rules, TechStar will have to be delisted by the Stock Exchange and cease operations and wind up pursuant to requirements under the TechStar Articles.

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders or does not proceed to completion for any other reason, and if TechStar has not completed a de-SPAC transaction within 36 months from December 23, 2022 (or, if this time limit is extended pursuant to a shareholder vote and in accordance with the Listing Rules, a de-SPAC transaction is not completed within such extended time limit), TechStar will (i) cease all operations except for the purpose of winding-up pursuant to requirements under the TechStar Articles; (ii) suspend the trading of the TechStar Class A Shares and the TechStar Listed Warrants; (iii) as promptly as reasonably possible but no more than one month thereafter, redeem the TechStar Class A Shares and distribute the funds held in the Escrow Account to holders of the TechStar Class A Shares on a pro rata basis, in an amount per TechStar Class A Share of not less than HK$10.00, which will completely extinguish the rights of the holders of the TechStar Class A Shares as shareholders (including the right to receive further liquidation distributions, if any); and (iv) liquidate and dissolve, subject, in the case of clauses (iii) and (iv), to TechStar's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

If the De-SPAC Transaction is not completed, potential de-SPAC targets may have leverage over TechStar in negotiating a de-SPAC transaction.

Any potential de-SPAC targets with which TechStar enters into negotiations concerning a de-SPAC transaction will be aware that TechStar must complete a de-SPAC transaction within 36 months of December 23, 2022, unless this time limit is extended pursuant to a shareholder vote and in accordance with the Listing Rules. Consequently, if TechStar is unable to complete the De-SPAC Transaction and is permitted to seek new potential de-SPAC targets, a potential de-SPAC target may obtain leverage over it in negotiating a de-SPAC transaction, knowing that if TechStar does not complete its de-SPAC transaction with that particular de-SPAC target, it may be unable to complete its de-SPAC transaction with any de-SPAC target. This risk will increase as TechStar gets closer to the time limits described above.

Subsequent to the completion of the De-SPAC Transaction, the Successor Group may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and share price after the De-SPAC Transaction, which could cause you to lose some or all of your investment.

Even though TechStar has endeavored to evaluate the risks inherent in the De-SPAC Transaction through due diligence on the Target Group, there is no assurance that this due diligence will highlight all material issues that may be present, that TechStar has adequately ascertained or assessed all of the significant risks of the Target Group's business or the industry in which it operates, that it would be possible to uncover all material issues through the amount of due diligence conducted, or that factors outside of TechStar's or the Target Group's control will not later arise.

As a result of these factors, the Successor Group may be forced to later write down or write off assets, restructure its operations, or incur impairment or other charges that could result in it continuing to report losses. Even though these charges may be non-cash items and may not have an immediate impact on the Successor Company's liquidity, charges of this nature could contribute to negative market perceptions about the Successor Company or the Successor Company Shares. Even if TechStar's due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with TechStar's preliminary risk analysis. Accordingly, the TechStar Class A Shareholders who choose to become shareholders of the Successor Group following the De-SPAC Transaction could suffer a reduction in the value of their shares.

TechStar's shareholders will have a reduced ownership and voting interest after the completion of the De-SPAC Transaction.

After the completion of the De-SPAC Transaction, TechStar's current shareholders will own a smaller percentage of the Successor Company than they currently own of TechStar. Immediately after Closing, TechStar Class A Shareholders will hold less than 10% of the issued share capital of the Successor Company (assuming the Presumptions). For details, see "Share Capital – Authorized and Issued Share Capital." Consequently, TechStar's current shareholders, as a group, will have reduced ownership and voting power in the Successor Company compared to their ownership and voting power in TechStar.

TechStar or the Target Group may be the target of litigation which could result in substantial costs and may delay or prevent the De-SPAC Transaction from being completed.

Defending against any litigation involving TechStar, the Target Group or the De-SPAC Transaction can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on TechStar's or the Target Group's liquidity and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting completion of the De-SPAC Transaction, that injunction may delay or prevent the De-SPAC Transaction from being completed, which may adversely affect TechStar's or the Target Group's or, if the De-SPAC Transaction is completed but delayed, the Successor Group's business, financial position and results of operations. There can be no assurance as to whether any such lawsuits will be filed.

In particular, Section 238 of the Cayman Companies Act provides for a right of the Dissenting TechStar Shareholders to be paid the fair value of their TechStar Shares subject to certain limitations. If the Dissenting TechStar Shareholders do not agree with the fair value determined by the TechStar Board, a petition may be filed with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares by the Cayman Court. The Dissenting TechStar Shareholders may participate in such proceedings until the determination of fair value is reached. For details, see "Letter from TechStar Board – O. Appraisal Right of Dissenting TechStar Shareholders" and "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders."

If the TechStar Class A Shareholders fail to comply with the redemption requirements or requirements to exercise their Appraisal Right specified in this circular, they will not be entitled to redeem their TechStar Class A Shares or exercise their Appraisal Right.

In order to exercise their redemption rights, the TechStar Class A Shareholders are required to complete the procedures set out in "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right – 3. Procedure to elect for Share Redemption". TechStar Class A Shareholders electing to redeem their TechStar Class A Shares will receive, for each TechStar Class A Share redeemed, the Redemption Price which will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. Any TechStar Class A Shareholder who fails to properly exercise its redemption right will not be entitled to redeem its shares for the Redemption Price. See "Important Notice to TechStar Shareholders and Actions to be Taken – B. TechStar Redemption Right" for additional information on how to exercise your redemption rights.

In order to exercise their Appraisal Right, the Dissenting TechStar Shareholders must follow the statutory procedures prescribed in the Cayman Companies Act. TechStar Shareholders who wish to exercise their Appraisal Right are recommended to seek their own advice on the application and procedure to be followed in respect of the appraisal rights under the Cayman Companies Act. The Dissenting TechStar Shareholders who fail to properly exercise their Appraisal Right will not receive the fair value for their TechStar Shares and will instead receive newly issued Successor Company Shares. For details, see "Letter from TechStar Board – O. Appraisal Right of Dissenting TechStar Shareholders" and "Important Notice to TechStar Shareholders and Actions to be Taken – D. Appraisal Right of Dissenting TechStar Shareholders."

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders or does not proceed to completion for any reason, all Share Redemption requests will be canceled and Redeeming TechStar Shareholders will not receive the Redemption Price.

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders or does not proceed to completion for any other reason, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. In this case, TechStar will arrange for the TechStar's Hong Kong Share Registrar to promptly return any share certificate(s) delivered by Redeeming TechStar Shareholder(s). TechStar Class A Shareholders will only be able to exercise redemption rights in connection with an extraordinary general meeting to (i) approve another de-SPAC transaction, (ii) modify the timing of TechStar's obligation to announce a de-SPAC transaction within 24 months of the initial listing date on December 23, 2022 or complete a de-SPAC transaction within 36 months of the listing date on December 23, 2022, or (iii) approve the continuation of TechStar following a material change in the Promoters or TechStar Directors as provided for in the Listing Rules or if TechStar fails to obtain the requisite approvals.

Future resales of the Successor Company Shares may cause the market price of the Successor Company Shares to decline significantly, even if the Successor Group's business is performing well.

The PIPE Investors may sell the Successor Company Shares held by them upon Closing. In addition, upon the expiration of the applicable lock-up period with respect to the Promoters and the employees who hold shares issued pursuant to exercise of Target Company options granted under the 2016 Share Incentive Plan, the Promoters and such employees may sell a large number of the Successor Company Shares in the open market or in privately negotiated transactions. Such sales and any other potential future resale of the Successor Company Shares could have the effect of increasing the volatility in the price of the Successor Company Shares and may put significant downward pressure on such share price.

The Issuance of Successor Company Shares to the Promoters and the PIPE Investors, the potential exercise of the Successor Company Warrants and the Permitted Equity Financing (if any) would increase the number of Successor Company Shares eligible for future resale in the public market and result in dilution to Successor Company Shareholders.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will become exercisable 30 days and 12 months after the Closing, respectively, subject to the satisfaction of certain conditions. Furthermore, Successor Company Shares will be issued to the Promoters and the PIPE Investors and additional Successor Company Shares may be issued pursuant to the potential exercise of the Successor Company Warrants and the Permitted Equity Financing (if any). Any such share issuances would increase the number of Successor Company Shares eligible for future resale in the public market and result in dilution to Successor Company Shareholders.

If the De-SPAC Transaction is completed, there is no guarantee that the Successor Company Listed Warrants will ever be in the money, and they may expire worthless.

The exercise price for the Successor Company Listed Warrants, once exchanged for TechStar Listed Warrants upon completion of the De-SPAC Transaction, will be HK$11.50 per Successor Company Share. The Successor Company Warrants can only be exercised on a cashless basis. There is no guarantee that such Successor Company Listed Warrants, following the De-SPAC Transaction, will ever be in the money prior to their expiration, and as such, the Successor Company Listed Warrants may expire worthless.

The Successor Company may redeem your unexpired Successor Company Listed Warrants prior to their exercise at a time that is disadvantageous to you.

The Successor Company has the ability to redeem the outstanding Successor Company Listed Warrants. Redemption of the outstanding Successor Company Listed Warrants could force you (i) to exercise your Successor Company Listed Warrants at a time when it may be disadvantageous for you to do so, (ii) to sell your Successor Company Listed Warrants at the then-current market price when you might otherwise wish to hold them, or (iii) to accept the nominal redemption price which, at the time the outstanding Successor Company Listed Warrants are called for redemption, is likely to be substantially less than the market value of your Successor Company Listed Warrants.

The Successor Company Listed Warrant Instrument and the Successor Company Promoter Warrant Agreement will designate the courts of Hong Kong as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Successor Company Warrantholders, which could limit the ability of Successor Company Warrantholders to obtain a favorable judicial forum for disputes with the Successor Company.

The Successor Company Listed Warrant Instrument and the Successor Company Promoter Warrant Agreement will provide that, subject to applicable laws, (i) any action, proceeding or claim against the Successor Company arising out of or relating in any way to the Successor Company Listed Warrant Instrument or the Successor Company Promoter Warrant Agreement will be brought and enforced in the courts of Hong Kong; and (ii) that such jurisdiction shall be the exclusive forum for any such action, proceeding or claim.

This choice of forum provision may limit the ability of the Successor Company Warrantholders to bring a claim in a judicial forum that it finds favorable for disputes with the Successor Company, which may discourage such lawsuits. Alternatively, if a court were to find this provision of the Successor Company Listed Warrant Instrument and the Successor Company Promoter Warrant Agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, the Successor Company may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect its business, financial condition and results of operations and result in a diversion of the time and resources of its senior management and the board of directors.

The Successor Company Warrants are expected to be accounted for as liabilities, which may have an adverse effect on the market price of the securities of the Successor Company.

The Successor Company Warrants are expected to be accounted for as liabilities. At the end of each reporting period, the fair value of the liabilities of the Successor Company Warrants will be remeasured and the change in the fair value of the liabilities will be recorded in the Successor Group's consolidated statement of profit or loss and other comprehensive income. The price of the Successor Company Listed Warrants will represent the primary underlying variable that impacts the value of the liabilities. The impact of changes in fair value on Successor Company Warrants may have an adverse effect on the market price of the securities of the Successor Company.

TechStar may be required to complete the De-SPAC Transaction even if it determines it is no longer in the best interest of TechStar and the TechStar Class A Shareholders.

The TechStar Class A Shareholders are protected from a material adverse event arising between the date of the Business Combination Agreement and the Closing, primarily by the right to redeem their TechStar Class A Shares for a pro rata portion of the funds held in the Escrow Account. If a material adverse event were to occur after approval of the De-SPAC Transaction at the EGM, TechStar may be required to complete the De-SPAC Transaction if the closing conditions in the Business Combination Agreement are satisfied or waived, even if it may no longer be in the best interest of TechStar or the TechStar Class A Shareholders to do so.

During the period from signing of the Business Combination Agreement to Closing, TechStar is prohibited from entering into certain transactions that might otherwise be beneficial to TechStar or the TechStar Class A Shareholders.

Until the earlier of the completion of the De-SPAC Transaction or termination of the Business Combination Agreement, TechStar is subject to certain limitations on the operations of its business, including restrictions on its ability to search for another de-SPAC target, repurchase or redeem shares (other than pursuant to the Share Redemption), pay dividends or incur financial debt, as summarized under "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (f) Conditions to Closing". The limitations on TechStar's conduct of its business during this period could have the effect of delaying or preventing other strategic transactions and would make it impossible to pursue another de-SPAC opportunity that may be available.

The De-SPAC Transaction remains subject to certain conditions that TechStar cannot control and if such conditions are not satisfied or waived, the De-SPAC Transaction may not be consummated.

The De-SPAC Transaction is subject to a number of conditions. There is no assurance that all the conditions to closing of the De-SPAC Transaction will be satisfied or that the conditions will be satisfied within the time frame expected. If the conditions to the De-SPAC Transaction are not satisfied (or, if applicable, waived), then either TechStar or the Target Group may, subject to the terms and conditions of the Business Combination Agreement, terminate the Business Combination Agreement. See "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (f) Conditions to Closing" for details.

Delays in completing the De-SPAC Transaction may substantially reduce the expected benefits of the De-SPAC Transaction.

Satisfying the conditions to, and completion of, the De-SPAC Transaction may take longer than, and could cost more than, TechStar expects. Any delay in completing or any additional conditions imposed in order to complete the De-SPAC Transaction may materially adversely affect the benefits that TechStar expects to achieve from the De-SPAC Transaction.

The process of taking a company public by means of a de-SPAC transaction with a special purpose acquisition company is different from taking a company public through an initial public offering and may create risks for investors.

Going public via a de-SPAC transaction with a special purpose acquisition company does not involve a book-building process as is the case in an initial public offering. In any initial public offering, the initial value of a company is set by investors who indicate the price at which they are prepared to purchase shares from the underwriters and vetted by analysts. In the case of the De-SPAC Transaction, even though the PIPE Investments provide some assurance that the Negotiated Value for the Target Company is fair, the value of the Target Company has primarily been established by means of negotiations between the Target Company and TechStar. This process may be less effective than an initial public offering book-building process and also does not reflect events that may occur between the date of the Business Combination Agreement and Closing. In addition, initial public offerings are sometimes oversubscribed, resulting in additional potential demand for shares in the aftermarket following the initial public offering. There is no comparable process of generating investor demand in connection with the De-SPAC Transaction, or process of creating an analyst following, each of which may result in lower demand for the Successor Company Shares after Closing, which could in turn, decrease liquidity and trading prices as well as increase share price volatility of the Successor Company Shares.

A market for the Successor Company Shares and Successor Company Warrants may not develop or be sustained, which would adversely affect the liquidity and price of the Successor Company Shares and Successor Company Warrants.

Following the De-SPAC Transaction, the price of the Successor Company Shares and Successor Company Warrants may fluctuate significantly due to the market's reaction to the De-SPAC Transaction, general market and economic conditions, the Successor Company's general business condition and the release of its financial reports. An active trading market for the Successor Company Shares and Successor Company Warrants following the De-SPAC Transaction may never develop or, if developed, may not be sustained. You may be unable to sell the Successor Company Shares and Successor Company Warrants unless a market for them can be established and sustained.

Securities of companies formed through de-SPAC transaction may experience a material decline in price relative to the share price of the SPAC prior to the de-SPAC transaction.

TechStar issued the TechStar Class A Shares for HK$10.00 per Share upon closing of its initial offering in 2022. The HK$10.00 per share price reflected each TechStar Class A Share having a one-time right to redeem such share for a pro rata portion of the proceeds held in the Escrow Account equal to approximately HK$10.00 per share prior to the Closing. Following the Closing, the shares of the Successor Company issued and outstanding will no longer have any such redemption right, and the share price will be solely dependent upon the fundamental value of the Successor Group's business, which, like the securities of other companies formed through de-SPAC transactions in other markets, may be significantly less than HK$10.00 per share.

Because the Target Company and TechStar are incorporated under the laws of the Cayman Islands, you may face difficulties in protecting your interests, including in the event the De-SPAC Transaction is not completed.

Both the Target Company and TechStar are companies incorporated under the laws of the Cayman Islands with limited liability. In addition, some of TechStar's and Target Company's directors and executive officers are nationals and residents of countries or areas other than the United States and Hong Kong. A substantial portion of the assets of these persons are located outside the United States and Hong Kong. As a result, it may be difficult or impossible for TechStar Shareholders and Target Company Shareholders to effect service of process within the United States or Hong Kong upon these persons, or to bring an action against TechStar or the Target Company or against these individuals in the United States or Hong Kong in the event that they believe that their rights have been infringed under the U.S. federal securities laws, Hong Kong laws or otherwise. Even if shareholders are successful in bringing an action of this kind, the laws of the Cayman Islands and China may render them unable to enforce a judgment against TechStar's or the Target Company's assets or the assets of TechStar's or the Target Company's directors and officers. We cannot assure you that the courts of the Cayman Islands or the PRC would always recognize or enforce judgments.

The De-SPAC Transaction may be taxable to investors in the TechStar Class A Shares or TechStar Listed Warrants.

The De-SPAC transaction has not been structured to accommodate any tax considerations in any jurisdiction and the Target Company and Successor Company has not, and will not, obtain any tax opinion regarding the tax consequences of the De-SPAC Transaction to shareholders or warrant holders of TechStar. A holder or beneficial owner of TechStar Class A Shares or TechStar Listed Warrants may be required to recognize taxable income with respect to the De-SPAC Transaction (any such tax liability may attach prior to any exercise of the Redemption Rights), or in connection with the exercise of the Redemption Rights, in either case in the jurisdiction in which such investor is tax resident (or in which its members are tax resident if it is a fiscally-transparent entity). Investors in TechStar Class A Shares and TechStar Listed Warrants should consult their tax advisers regarding the tax consequences of the De-SPAC Transaction in their particular circumstances.

Securities laws in jurisdictions where Successor Company Listed Warrantholders are based may restrict their ability to receive shares upon the exercise of the Successor Company Listed Warrants.

The jurisdictions in which the Successor Company Listed Warrantholders are based may have securities laws that restrict their ability to receive shares upon the exercise of the Successor Company Listed Warrants. Accordingly, Successor Company Listed Warrantholders who are resident outside Hong Kong may not be able to exercise their Successor Company Listed Warrants if they are prevented by applicable securities laws from receiving shares consequent to such exercise. In such an event, they will have to sell their Successor Company Listed Warrants on the Stock Exchange.

OVERVIEW

The Target Group maintains a significant presence in the design, development, and production of automotive-grade LiDAR solutions.

The Target Group's history can be traced back to 2016 with the establishment of the Target Company by the co-founders, namely Dr. Bao and Dr. Li Yimin. The Target Group has since then been led by Dr. Bao, who is the co-founder, a Controlling Shareholder as of the Latest Practicable Date and a Single Largest Shareholder upon the completion of the De-SPAC Transaction, an executive Director, chairman of the Board, president and chief executive officer of the Target Company. For the biography and industry experience of Dr. Bao and Dr. Li Yimin, please refer to the section headed "Directors and Senior Management of the Successor Company".

THE TARGET GROUP'S BUSINESS MILESTONES

The following sets forth certain key business development milestones of the Target Group:

Year	Event
2016	The Target Company was established in the Cayman Islands and started operations in the United States.
2018	The Target Group unveiled the first ultra-long-range, image-grade LiDAR solution series, Cheetah, which is the first non-automotive LiDAR solutions.
2020	The Target Group launched the Falcon series LiDAR.
2021	The Target Group began the volume production of non-automotive LiDAR solution.
2022	The Target Group introduced the 905 nm laser-based LiDAR Robin series LiDAR solution in early 2022. The Target Group began the volume production of the automotive-grade LiDAR solutions. The Target Group began the strategic cooperation with NIO in January.
2023	The Target Group began the volume production of the automotive-grade LiDAR solutions for integration on five additional NT 2.0 car models.
2024	The Target Group obtained design-wins from an EV company in China focusing on passenger EVs.

MAJOR SUBSIDIARIES AND OPERATING ENTITIES OF THE TARGET GROUP[(1)]

The principal business activities and the dates of incorporation of the members of the Target Group which are most relevant to its operations during the Track Record Period are shown below.

Name of major subsidiary or operating entity	Place of incorporation	Date of incorporation and commencement of business	Principal business activities	Registered Capital	Equity interest attributable to the Target Company
Tudatong (Suzhou) Co., Ltd. (圖達通智能科技(蘇州)有限公司) ("**Suzhou Tudatong**")	PRC	January 10, 2019	Manufacture and sales of LiDAR related materials	US$183,000,000	100%
Tudatong (Ningbo) Co., Ltd. (圖達通智能科技(寧波)有限公司) ("**Ningbo Tudatong**")	PRC	December 31, 2021	Manufacture of LiDAR products	RMB50,000,000	100%
Tudatong (Wuhan) Co., Ltd. (圖達通智能科技(武漢)有限公司) ("**Wuhan Tudatong**")[(3)]	PRC	May 15, 2020	Manufacture of LiDAR products	US$37,440,000	100%
Innovusion Hong Kong Limited ("**HK Innovusion**")	Hong Kong	May 17, 2018	Investment holding company	HK$10,000	100%
Tudatong (Wuxi) Co., Ltd. (圖達通智能科技(無錫)有限公司) ("**Wuxi Tudatong**")	PRC	February 24, 2023	Research and development of LiDAR products	US$250,000,000	100%
Seyond Inc.	USA	November 14, 2016	Research and development and sales of LiDAR related materials and services	US$1	100%
Tudatong (Pinghu) Co., Ltd. 圖達通智能科技(平湖)有限公司[(4)]	PRC	June 15, 2023	Manufacture of LiDAR products	US$89,181,068	95.31%
Tudatong (Deqing) Co., Ltd. 圖達通智能科技(德清)有限公司	PRC	March 30, 2023	Manufacture of LiDAR products	US$100,000,000	100%

Notes:

(1) The major subsidiaries and operating entities of the Target Group are selected primarily with reference to the entities which have contributed to more than 5% of the Target Group's revenue, profit or assets on a consolidated or stand-alone basis in any financial year during the Track Record Period.

(2) For information on the Target Group's other subsidiaries and operating entities, please see Note 38 of the Accountants' Report set out in Appendix I to this circular.

(3) Save as the shareholding changes in Wuhan Tudatong disclosed below, there were no major shareholding changes in the major subsidiaries and operating entities of the Target Group during the Track Record Period and up to the Latest Practicable Date:

On December 1, 2020, Hubei Jiangjie Equity Investment Partnership (Limited Partnership) (湖北江捷股權投資合夥企業(有限合夥)), an Independent Third Party, subscribed for US$3,000,000 registered capital of Wuhan Tudatong at a total consideration of US$3,000,000, which was fully settled on December 8, 2020. Upon completion of the share subscription, Wuhan Tudatong was held by HK Innovusion as to 90.91% and by Hubei Jiangjie Equity Investment Partnership (Limited Partnership) (湖北江捷股權投資合夥企業(有限合夥)) as to 9.09%.

On December 24, 2020, Beijing Century Crest Investment Co., Ltd. (北京世紀凱悅投資有限公司), and Yuyao Yangmingzhixing Investment Center (Limited Partnership) (餘姚市陽明智行投資中心(有限合夥)), both being Pre-Listing Investors of the Target Company, subscribed for US$4,440,000 registered capital of Wuhan Tudatong at a total consideration of US$4,440,000, which was fully settled on December 10, 2021. Upon completion of the said share subscription, Wuhan Tudatong was held by HK Innovusion as to 80.13%, by Hubei Jiangjie Equity Investment Partnership (Limited Partnership) (湖北江捷股權投資合夥企業(有限合夥)) as to 8.01%, by Beijing Century Crest Investment Co., Ltd. (北京世紀凱悅投資有限公司) as to 5.34%, and by Yuyao Yangmingzhixing Investment Center (Limited Partnership) (餘姚市陽明智行投資中心(有限合夥)) as to 6.52%.

On June 15, 2021, Hubei Jiangjie Equity Investment Partnership (Limited Partnership) (湖北江捷股權投資合夥企業(有限合夥)) transferred its entire equity interests in Wuhan Tudatong which equals to US$3,000,000 registered capital, to Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership) (上海嶄佳企業管理諮詢合夥企業(有限合夥)), an Independent Third Party.

On August 16, 2021, as part of the restructuring process of the Target Group, each of Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership) (上海嶄佳企業管理諮詢合夥企業(有限合夥)), Beijing Century Crest Investment Co., Ltd. (北京世紀凱悅投資有限公司), and Yuyao Yangmingzhixing Investment Center (Limited Partnership) (餘姚市陽明智行投資中心(有限合夥)) transferred their respective entire equity interests in Wuhan Tudatong to HK Innovusion respectively for US$3,000,000, US$2,000,000 and US$2,440,000, totaling US$7,440,000, which was fully settled on September 28, 2021. Upon completion of such share transfer and as of the Latest Practicable Date, Wuhan Tudatong was wholly owned by HK Innovusion.

(4) For details of the shareholding of Tudatong (Pinghu) Co., Ltd. 圖達通智能科技(平湖)有限公司), see note (4) to "– Corporate Structure Immediately Prior to the Completion of the De-SPAC Transaction" below.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, the Target Group did not conduct any acquisitions, disposals or mergers that it considers to be material to it.

MAJOR SHAREHOLDING CHANGES OF THE TARGET COMPANY

The Target Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 4, 2016. The initial authorized share capital of the Target Company was US$50,000 divided into 50,000,000 ordinary shares with a par value of US$0.001 each. On November 4, 2016, one Share was allotted and issued at par value to the initial subscriber which is an Independent Third Party and then transferred to Dr. Bao at par value. On the same day, (i) 9,000,001 Shares were allotted and issued at par value to Dr. Bao, and (ii) 1,200,000 Shares were allotted and issued at par value to Dr. Li Yimin.

From November 2016 to December 2023, the Target Company conducted several rounds of Pre-Listing Investments. For details, see "– Pre-Listing Investments" below.

PRE-LISTING INVESTMENTS

Overview

The Target Company underwent several rounds of Pre-Listing Investments as detailed below.

Round	Number and class of Target Company Shares subscribed	Date of relevant transaction agreements	Date of the last payment of considerations[1]	Total funds raised *(US$)*	Approximate post-money valuation after each round of financing[2]	Cost per Share paid[3]	Approximate discount to the Transaction Price[4]
Series Seed[5]	2,750,000 Series Seed Preferred Shares	November 22, 2016	November 25, 2016	2,750,000	US$13 million	US$1.0	95.9%
Series A[6]-[9]	2,843,824 Series A Preferred Shares and 225,661 Target Company Ordinary Shares	August 17, 2018; September 10, 2018	September 11, 2018	29,299,987.88	US$240 million[10]	US$10.3030	58.0%
Series A1[11]-[15]	8,080,188 Series A1 Preferred Shares	December 1, 2020; December 24, 2020	December 10, 2021	22,152,908.03	Between US$74 million and US$93 million[16]	Between US$2.3456 and US$2.932[17]	Between 88.1% and 90.4%
Series B[18]-[19]	8,466,446 Series B Preferred Shares[18]	March 30, 2021	April 14, 2021	64,257,906	US$306 million[20]	US$7.5897	69.1%
Series B+[21]-[23]	6,199,212 Series B+ Preferred Shares	July 2, 2021; November 5, 2021;	December 20, 2021	75,610,000	US$568 million[24]	US$12.1967	50.3%
Series C[25]-[31]	6,345,018 Series C Preferred Shares	December 24, 2021; March 4, 2022; March 7, 2022; April 2, 2022; April 20, 2022;	May 23, 2022	121,268,000	US$1,031 million[32]	US$19.1123	22.1%

Round	Number and class of Target Company Shares subscribed	Date of relevant transaction agreements	Date of the last payment of considerations[1]	Total funds raised (US$)	Approximate post-money valuation after each round of financing[2]	Cost per Share paid[3]	Approximate discount to the Transaction Price[4]
***Series D*[33]-[36]**	6,223,143 Series D Preferred Shares and 281,021 Target Company Ordinary Shares	April 27, 2023; May 24, 2023; June 20, 2023; September 20, 2023; October 13, 2023	December 28, 2023	144,002,606	US$1,396 million[37]	US$22.8446	6.9%

Notes:

(1) This refers to the date when the underlying shares have been issued to the Pre-Listing Investors upon irrevocable settlement and receipt of funds by the Target Company with respect to the last payment of considerations of the relevant round of financing.

(2) The post-money valuation of the Target Company equals the total consideration paid by each round of the Pre-Listing Investors divided by the shareholding percentage of it immediately following their investments, assuming the then issued Preferred Shares are fully converted into Target Company Ordinary Shares.

(3) The cost per Share paid by the Pre-Listing Investors was calculated based on the amount of investment made by the relevant Pre-Listing Investors and number of Shares held by them immediately following their investments.

(4) The discount to the Transaction Price is calculated based on a Transaction Price of HK$10.0 per share and the number of Target Company Shares held by the Pre-Listing Investors after Capitalization Issue. The discount to the Transaction Price is calculated by one minus the product of cost per Share paid and U.S. dollars to Hong Kong dollars exchange rate divided by the product of Capitalization Issue Factor and HK$10.0. In other words, the formula is: 1 - (cost per Share paid × U.S. dollars/Hong Kong dollars exchange rate)/(Capitalization Issue Factor × HK$10.00).

(5) Pursuant to the Series Seed Preferred Shares Purchase Agreement dated November 22, 2016, the Series Seed Investors, namely Banyan Partners Fund II, L.P., Often Excel Investments Limited and Zhang Caihong, agreed to subscribe for 2,750,000 Series Seed Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$2,750,000, which was fully settled on November 25, 2016.

(6) Pursuant to the Simple Agreement for Future Equity entered into between the Target Company and (i) each of the 2017 SAFE Investors, respectively, namely, Banyan Partners Fund II, L.P., Often Excel Investments Limited, The Niu 2001 Revocable Trust, CGC Elegant Rosette Limited, Rong Shengwen, Yang Zheng and Charles C. Comey and Judith T. Huang, Trustees of the Comey/Huang Trust dated September 13, 2002, in May and June 2017; and (ii) each of the 2018 SAFE Investors, respectively, namely, Zhang Caihong, Jubilee Technology Fund Pte Ltd., SF Motors, Inc., Zhang Wen Qi, Xingrong Zhang and Jinsong Xiao, in February 2018, pursuant to which, the Target Company granted to each of the 2017 SAFE Investors and each of the 2018 SAFE Investors the right to subscribe for certain of the Target Company Shares.

(7) Pursuant to the Series A Preferred Share Purchase Agreement dated August 17, 2018, the 2017 SAFE Investors, the 2018 SAFE Investors and Honour Key Limited, agreed to subscribe for 2,358,529 Series A Preferred Shares and 225,661 ordinary Shares in aggregate to be issued by the Target Company for a total consideration of US$24,299,993.48, which was fully settled on August 30, 2018.

(8) Pursuant to the Series A Preferred Share Purchase Agreement dated September 10, 2018, ERVC Technology IV LP, and F-Prime Capital Partners Tech Fund II LP agreed to subscribe for 485,295 Series A Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$4,999,994.40, which was fully settled on September 11, 2018.

(9) Pursuant to the Share Repurchase Agreement dated September 21, 2021, entered into between the Target Company and Charles C. Comey and Judith T. Huang, Trustees of the Comey/Huang Trust dated September 13, 2002, pursuant to which, the Target Company repurchased all the Shares held by Charles C. Comey and Judith T. Huang, Trustees of the Comey/Huang Trust dated September 13, 2002 comprising 4,852 Series A Preferred Shares and 4,263 Target Company Ordinary Shares at a consideration of US$237,411, which was fully settled on September 23, 2021. Accordingly, Charles C. Comey and Judith T. Huang, Trustees of the Comey/Huang Trust dated September 13, 2002 ceased to be the Shareholder of the Target Company.

(10) The increase in the valuation of the Target Company during the period between the Series Seed investment and the Series A investment was primary because the Target Group unveiled the first ultra-long-range, image-grade LiDAR solution series Cheetah, which is the first non-automotive LiDAR solutions during the corresponding period.

(11) Between December 15, 2019 and January 15, 2020, Honour Key Limited, ERVC Technology IV LP, F-Prime Capital Partners Tech Fund II LP, Zhang Caihong, Often Excel Investments Limited, Jubilee Technology Fund Pte Ltd., Grand Perfect Investment Limited, Liu Hui, Zhang Wen Qi, Wang Taili, and Yang Zheng (collectively, the "**Note Investors**") purchased a convertible promissory note issued by the Target Company in the aggregate principal amount of US$5,710,000 (the "**Notes**").

Pursuant to the Side Letter to the Note Purchase Agreement dated December 20, 2019, the Target Company agreed to issue warrants to each of the Note Investors to purchase Target Company Shares with an exercise price of US$0.001 per share. As of the Latest Practicable Date, all these warrants have been fully exercised.

Pursuant to the Series A1 Preferred Share Purchase Agreement dated December 1, 2020, the Note Investors agreed to subscribe for 4,669,549 Series A1 Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$12,152,911.12, as in full discharge and satisfaction of all obligations of the Target Company under the Notes, which was fully settled on December 8, 2020.

(12) Pursuant to the Series A1 Preferred Share Purchase Agreement dated December 1, 2020, Zhang Caihong and Yang Zheng further subscribed for 68,212 Series A1 Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$200,000, which was fully settled on December 30, 2020.

Pursuant to the Series A1 Preferred Share Purchase Agreement dated December 1, 2020, Joyson Electronic USA LLC and Zhou Shaofeng, as additional purchasers, agreed to subscribe for 804,911 Series A1 Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$2,360,000, which was fully settled on January 13, 2021.

(13) Pursuant to the instrument of transfer dated June 23, 2021, entered into between Liu Hui and Gateway Capital Investments Inc., pursuant to which, Liu Hui transferred her entire equity interests held in the Target Company which amounted to 459,489 Series A1 Preferred Shares to her family office fund, Gateway Capital Investments Inc. for nil consideration. Accordingly, Liu Hui ceased to be the Shareholder of the Target Company.

(14) Pursuant to the Warrant Transfer Agreement dated August 9, 2021, Prime Marvel Investment Limited agreed to transfer its entire warrants convertible into 1,023,192 Series A1 Preferred Shares to be issued by the Target Company to its affiliate, namely, Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership), which was fully converted into Target Company Shares on December 10, 2021.

(15) Pursuant to the Series A1 Warrant Certificate dated December 24, 2020, Yuyao Yangmingzhixing Investment Center (Limited Partnership), and Beijing Century Crest Investment Co., Ltd. were granted warrants to subscribe for 1,514,324 Series A1 Preferred Shares of the Target Company at an exercise price of US$2.932 per Share. Yuyao Yangmingzhixing Investment Center (Limited Partnership), and Beijing Century Crest Investment Co., Ltd. fully exercised all the warrants, the consideration of which was fully settled on December 10, 2021.

(16) The decrease in the valuation of the Target Company and cost per Share during the period between the Series A investment and the Series A1 investment was primarily because the Target Company was at the early stage to secure stable and sizeable customer and order inflow on the one hand and with accelerated cash burn speed for its R&D initiatives on the other hand, during a period where the larger financing environment was relatively slow, thus resulting in the Target Company's then valuation being affected.

(17) The cost per Share of the Series A1 investment varied across the Series A1 Investors, primarily because certain Series A1 Preferred Shares were issued to the Note Investors at a specially agreed valuation in consideration of such Note Investors fully discharging all obligations of the Target Company then owed under the terms of the Notes. The valuation of the Notes was agreed in December 2019, a year before the subscription of the Series A1 Preferred Shares by the remaining Series A1 Investors in December 2020.

(18) Pursuant to the Series B Preferred Share Purchase Agreement dated March 30, 2021, Dahlia Investments PTE. LTD., BAI Capital Fund I, L.P., BAI GmbH, Joy Capital III, L.P., Honour Key Limited, ERVC Technology IV LP, F-Prime Capital Partners Tech Fund II LP, Often Excel Investments Limited, Aodong Investments Limited, Rosewater Limited, Yang Zheng, and Silver Bear Fields LLC agreed to subscribe for 8,466,446 Series B Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$64,257,906, which was fully settled on April 14, 2021.

(19) Pursuant to the Note Purchase Agreement dated March 12, 2021, the Target Company issued US$8,221,473 of convertible promissory notes to Honour Key Limited, which were subsequently converted into 1,083,239 Series B preferred shares pursuant to the Series B Preferred Share Purchase Agreement dated March 30, 2021. For details, please refer to the note (18) above.

(20) The increase in the valuation of the Target Company during the period between the Series A1 investment and the Series B investment was primarily because the Target Group had successfully obtained design-win from NIO on October 28, 2020 as standard configuration of NT2.0 platform, resulting in NIO becoming a stable and major customer of the Target Company thereafter.

(21) Pursuant to the Series B+ Preferred Share Purchase Agreement dated July 2, 2021, Oxford International Develop Limited, Angel Prosperity Investment VI Limited, Astrend Opportunity III Alpha Limited, Glory Summer Worldwide Limited, Grand Perfect Investment Limited, Dahlia Investments Pte. Ltd., ERVC Technology IV LP, F-Prime Capital Partners Tech Fund II LP agreed to subscribe for 5,379,319 Series B+ Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$65,610,000, which was fully settled on November 12, 2021.

(22) Pursuant to the Series B+ Preferred Share Purchase Agreement dated November 5, 2021, Guoce Holding Limited agreed to subscribe for 819,893 Series B+ Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$10,000,000, which was fully settled on December 20, 2021.

(23) Pursuant to the sale and purchase agreement dated January 13, 2022, entered into between Oxford International Develop Limited and Zhengce Dazheng Limited, pursuant to which, Oxford International Develop Limited transferred its entire equity interests in the Target Company which amounted to 1,229,840 Series B+ Preferred Shares to Zhengce Dazheng Limited for a total consideration of US$15,131,856.16, which was fully settled on February 7, 2022. Accordingly, Oxford International Develop Limited ceased to be a shareholder of the Target Company.

(24) The increase in the valuation of the Target Company during the period between the Series B investment and the Series B+ investment was primarily due to successful volume production and timely delivery of high-performance LiDAR, which alleviated investors' then concerns about production and delivery uncertainties.

(25) Pursuant to the Series C Preferred Share Purchase Agreement dated December 24, 2021 and ancillary agreements, Haixia Dolphin Limited Partnership, Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Twelve SP, Perfect Vision Global Limited, Z1 Virtual Holdings Limited, Glory Summer Worldwide Limited, Wuhan Guangyue Hengda Private Equity Investment Fund Management Partnership (Limited Partnership), Dahlia Investments Pte. Ltd. agreed to subscribe for 5,546,162 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$106,000,000.

(26) Pursuant to the Series C Preferred Share Purchase Agreement dated March 4, 2022, Zhongrong International Trust Co., Ltd. agreed to subscribe for 523,223 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$10,000,000. Zhongrong International Trust Co., Ltd. then consented to transfer the subscribed 523,223 Series C Preferred Shares to its affiliate, namely Wuhan Ronghui Dingteng Equity Investment Partnership (Limited Partnership) for the same consideration, which was fully settled on April 26, 2022.

(27) Pursuant to the Series C Preferred Share Purchase Agreement dated April 20, 2022, Aurora Future Investment LLC agreed to subscribe for 76,809 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$1,468,000, which was fully settled on April 15, 2022.

(28) Pursuant to the Series C Preferred Share Purchase Agreement dated April 2, 2022, F-Prime Capital Partners Tech Fund II LP agreed to subscribe for 5,232 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$100,000, which was fully settled on April 6, 2022.

(29) Pursuant to the Series C Preferred Share Purchase Agreement dated March 7, 2022, Suzhou Xiangcheng District Xiangju Intelligent Internet of Vehicles Industry Venture Capital Center (Limited Partnership) agreed to subscribe for 78,483 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$1,500,000, which was fully settled on May 16, 2022.

(30) Pursuant to the Series C Preferred Share Purchase Agreement dated April 2, 2022, ERVC Technology IV LP agreed to subscribe for 115,109 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$2,200,000, which was fully settled on May 23, 2022.

(31) Pursuant to an assignment dated March 25, 2022, Haixia Dolphin Limited Partnership partially assigned its rights and obligations under the Series C Preferred Share Purchase Agreement dated December 24, 2021 to its affiliate, namely Hainan Shouzheng Qilin Venture Capital Fund Partnership (Limited Partnership), which agreed to subscribe for 156,966 Series C Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$3,000,000, which was fully settled on May 23, 2022.

(32) The increase in the valuation of the Target Company during the period between the Series B+ investment and the Series C investment was primarily due to (i) stable and continuous volume production and timely delivery of our products, (ii) securing supply orders for NIO's (a) entire models of passenger vehicles and (b) certain models of commercial vehicles; (iii) as well as the gradual and steady progress made in commercialization.

(33) Pursuant to the Series D Preferred Share Purchase Agreement dated April 27, 2023 and its ancillary agreements, Beijing Xingzheng Deqing Enterprise Management Partnership (Limited Partnership) (北京興證德清企業管理合夥企業(有限合夥)) agreed to subscribe for 1,645,685 Series D Preferred Shares in aggregate to be issued by the Target Company for a total consideration of approximately US$37,600,000 in equivalent of RMB273,000,000, which was fully settled on July 3, 2023.

(34) Pursuant to the Series D Preferred Share Purchase Agreement dated June 20, 2023 and the ancillary agreement, Wuxi Huikai Guolian Tongda Private Equity Fund (Limited Partnership) (無錫惠開國聯通達私募投資基金(有限合夥)) agreed to subscribe for 1,311,424 Series D Preferred Shares in aggregate to be issued by the Target Company for a total consideration of approximately US$30,000,000 in equivalent of RMB217,550,000, which was fully settled on September 15, 2023.

(35) Pursuant to the Series D Preferred Share Purchase Agreement dated May 24, 2023, Beijing Daxin Enterprise Management Partnership (Limited Partnership) (北京達昕企業管理合夥企業(有限合夥)) agreed to subscribe for 2,188,701 Series D Preferred Shares in aggregate to be issued by the Target Company for a total consideration of US$50,000,000, which was fully settled on October 10, 2023.

(36) Pursuant to the Series D Preferred Share Purchase Agreement dated September 20, 2023 and the ancillary agreement, Shanghai Junzhang Enterprise Management Partnership (Limited Partnership) (上海雋嶂企業管理合夥企業(有限合夥)) agreed to subscribe for 1,077,333 Series D Preferred Shares in aggregate to be issued by the Target Company for a total consideration of approximately US$24,430,380 in equivalent of RMB175,864,533.99, which was fully settled on December 28, 2023.

Pursuant to the Strategic Share Purchase Agreement dated October 13, 2023 and the ancillary agreement, Shanghai Junzhang Enterprise Management Partnership (Limited Partnership) (上海雋嶂企業管理合夥企業(有限合夥)) agreed to subscribe for 281,021 ordinary Shares in aggregate to be issued by the Target Company for a total consideration of approximately US$1,972,226 in equivalent of RMB14,197,266.01, which was fully settled on December 28, 2023.

(37) The increase in the valuation of the Target Company during the period between the Series C investment and the Series D investment was determined through arm's length negotiations between the Target Company and the then investors, with reference to (i) the business prospects of global LiDAR solutions, (ii) increase in sales volume of the Target Company's products during the material time (for details, see the sections headed "Business of the Target Group" and "Financial Information of the Target Group"); (iii) the Target Company's continued investment in R&D and product development through the material time which led to the launch of Robin Series (for details, see the section headed "Business of the Target Group"); and (iv) the valuation of comparable companies in the industry.

Principal Terms of the Pre-Listing Investments

The below table summarizes the principal terms of the Pre-Listing Investments:

Basis of determining the consideration paid	The consideration for each round of the Pre-Listing Investments was determined based on arm's length negotiations between the Target Company and the Pre-Listing Investors after taking into consideration the timing of the Pre-Listing Investments, the Target Group's then valuation when the respective investment agreements were entered into and the business operations and financial performance of the Target Group.
Lock-up period	Please refer to the section headed "Letter from TechStar Board – H. Other Arrangements" for details.
Use of proceeds from the Pre-Listing Investments	The Target Group utilized the proceeds for the principal business of the Target Group as approved by the Board, including for the purpose of research and development, building manufacturing facilities, business expansion and general working capital. As of the Latest Practicable Date, approximately 98% of the proceeds from the Pre-Listing Investments were utilized.
Strategic benefits from the Pre-Listing Investors	At the time of the Pre-Listing Investments, the Target Company Directors were of the view that the Target Company would benefit from the additional capital provided by the Pre-Listing Investors' investments in the Target Company and the Pre-Listing Investors' knowledge and experience.

Special Rights of the Pre-Listing Investors

The Target Company and, among others, the Pre-Listing Investors entered into the share purchase agreements and the shareholders agreements, pursuant to which certain shareholder rights were agreed among the parties. Pursuant to the shareholders agreements and the then memorandum and articles of association of the Target Company, certain Pre-Listing Investors have, among other rights, (i) information and inspection rights; (ii) registration rights; (iii) preemptive rights; (iv) right of first-refusal; (v) right of co-sale; (vi) right of prior consent to certain corporate actions; (vii) right to designate directors, board committee and senior management; (viii) drag-along right and (ix) the redemption rights.

As from the date on which the Target Company submits its first listing application (the "**First Listing Application Date**") to the Stock Exchange and the SFC, any redemption rights and divestment rights granted to the Pre-Listing Investors will be suspended and will resume to be exercisable in the event that (i) such listing application is rejected by the Stock Exchange or the SFC or otherwise withdrawn by the Target Company, (ii) such listing application is lapsed and no renewed application is made within 3 months of such lapse, or (iii) such listing fails to be consummated by the 12th month from the First Listing Application Date.

All special rights granted to the Pre-Listing Investors will terminate on the listing of the Successor Company Shares and the Successor Company Listed Warrants on the Stock Exchange upon a qualified IPO (which includes the De-SPAC Transaction).

Compliance with Pre-Listing Investment Guidance

On the basis that (i) the consideration for the Pre-Listing Investments was settled more than 28 clear days before the date of the first submission of the listing application to the Stock Exchange in relation to the De-SPAC Transaction, and (ii) all special rights of the Pre-Listing Investors granted will be automatically terminated upon the completion of the De-SPAC Transaction in Hong Kong, the Joint Sponsors confirms that the investments by the Pre-Listing Investors are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange.

Information about the Pre-Listing Investors

The background information of the Target Company's Pre-Listing Investors (representing all existing Target Company Shareholders) is set out below. To the best knowledge of the Target Company and save as disclosed below, (i) each of the Pre-Listing Investors are independent of one another; and (ii) all of the Target Company's Pre-Listing Investors are Independent Third Parties upon the completion of the De-SPAC Transaction.

1. Honour Key Limited

Honour Key Limited is a BVI business company incorporated in the BVI and is owned as to at least 90% by Eve One L.P., an exempted limited partnership established in Cayman Islands. Eve One L.P. is a leading, market-oriented private equity investment firm focusing on investing in mobility, energy, logistics and other related sectors, which insists on sustainable investments with a focus on innovations in decarbonization and digitalization, and its investment profiles include Dida Inc.(Stock Code : 02559). The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company who resigned on December 20, 2024 due to his primary work commitments. No limited partner holds 30% or more ownership in Eve One L.P.

2. Glory Summer Worldwide Limited

Glory Summer Worldwide Limited is a BVI business company incorporated in the BVI and is owned as to at least 90% by NIO Capital Opportunity Fund L.P., an exempted limited partnership established in Cayman Islands. NIO Capital Opportunity Fund L.P. is a leading, market-oriented private equity investment firm focusing on investing in mobility, energy, logistics and other related sectors, which insists on sustainable investments with a focus on innovations in decarbonization and digitalization, and its investment profiles include CALB (Stock Code : 03931). The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Target Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. No limited partner holds 30% or more ownership in NIO Capital Opportunity Fund L.P.

3. Beijing Guangyue

Two limited partnerships subject to the common control of Beijing Guangyue (as defined below), made Pre-Listing Investments in our Company. Details of these two limited partnerships are set out below:

Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership) (上海嶄佳企業管理諮詢合夥企業(有限合夥))

Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership) (上海嶄佳企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Acme**") is a limited partnership established in the PRC on June 3, 2021. It serves as a special purpose investment vehicle (SPV) specifically designed for investing in overseas entities. The general partner of Shanghai Acme is Ningbo Meishan Bonded Port Area Fuqi Hechuang Investment Partnership (Limited Partnership) (寧波梅山保税港區復奇合創投資合夥企業) ("**Fuqi Hechuang**") whose general partner is Beijing Guangyue Private Equity Fund Management Co., Ltd. (北京光躍私募基金管理有限公司) ("**Beijing Guangyue**") which is controlled by Ningbo Meishan Bonded Port Area Fuqi Investment Management Co., Ltd. (寧波梅山保税港區復奇投資管理有限公司) and ultimately controlled by Xiao Rong. The limited partner which holds more than 30% partnership interests in Fuqi Hechuang is Beijing Bosi Co-Creation Investment Enterprise (Limited Partnership) (北京博思共創投資企業(有限合夥)) which is also ultimately controlled by Xiao Rong. The sole limited partner of Shanghai Acme is Hubei Jiangjie Equity Investment Partnership (Limited Partnership) (湖北江捷股權投資合夥企業(有限合夥)) ("**Hubei Jiangjie**") whose general partner is Fuqi Hechuang. None of the limited partners of Hubei Jiangjie holds 30% or more partnership interests therein.

Wuhan Guangyue Hengda Private Equity Investment Fund Management Partnership (Limited Partnership) (武漢光躍恒達私募股權投資基金管理合夥企業(有限合夥))

Wuhan Guangyue Hengda Private Equity Investment Fund Management Partnership (Limited Partnership) (武漢光躍恒達私募股權投資基金管理合夥企業(有限合夥)) ("**Wuhan Guangyue**") is a limited partnership established in the PRC on July 30, 2021. The general

partner of Wuhan Guangyue is Hainan Guangyue Investment Partnership (Limited Partnership) (海南光躍投資合夥企業(有限合夥)) ("**Hainan Guangyue**") whose general partner is Beijing Guangyue Private Equity Fund Management Co., Ltd. (北京光躍私募基金管理有限公司) which is controlled by Ningbo Meishan Bonded Port Area Fuqi Investment Management Co., Ltd. (寧波梅山保税港區復奇投資管理有限公司) and ultimately controlled by Xiao Rong. Xiao Rong is also the sole limited partner of Hainan Guangyue. Wuhan Guangyue has two limited partners and both have more than 30% partnership interests therein, namely, Tianjin Ronghui Dingkun Equity Investment Partnership (Limited Partnership) (天津融輝鼎坤股權投資合夥企業(有限合夥)) ("**Tianjin Ronghui**") and Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) ("**Zhongrong Trust**"). The general partner of Tianjin Ronghui is Beijing Zhongrong Dingxin Investment Management Co., Ltd. (北京中融鼎新投資管理有限公司) which is wholly owned by Zhongrong Trust, and Zhongrong Trust is also the limited partner which holds more than 30% partnership interests in Tianjin Ronghui. Zhongrong Trust is controlled (i) as to approximately 37.47% by Jingwei Textile Machinery Co., Ltd. (經緯紡織機械股份有限公司) which is ultimately controlled by the State Council; and (ii) as to approximately 32.99% by China Forestry Group Co., Ltd. (中植企業集團有限公司) which, to the best knowledge of the Target Company, was known to be ultimately controlled by Xie Zhikun.

4. Pre-listing Investors who are or relating to our employees, former employees, and/or former consultants

Certain Pre-listing Investors are or are related to our former employees, former consultant, and/or employees. Details of these Pre-listing Investors are set out below.

Yang Zheng

Yang Zheng is the chief information officer and the vice president of software engineering of the Successor Group, and a Proxy Shareholder. For his details, please see the section headed "Directors and Senior Management of the Successor Company".

Aurora Future Investment LLC

Aurora Future Investment LLC ("**Aurora**") is a limited liability company incorporated in the U.S. Aurora is controlled by Ms. Mao Biyu, a former employee of the Target Group, in her capacity as the manager, as she exercises voting rights with respect to Target Company Shares held by Aurora. Aurora has seven members, among which, (i) Mr. Fan Peng, the former director of Tudatong (Suzhou) Co., Ltd. (圖達通智能科技(蘇州)有限公司), Tudatong (Ningbo) Co., Ltd. (圖達通智能科技(寧波)有限公司), and Tudatong (Wuhan) Co., Ltd. (圖達通智能科技(武漢)有限公司), is beneficially owned 24%; and (ii) Mr. Luo Siwei, the former director of Tudatong (Suzhou) Co., Ltd., Tudatong (Wuxi) Co., Ltd. (圖達通智能科技(無錫)有限公司), Tudatong (Pinghu) Co., Ltd. (圖達通智能科技(平湖)有限公司) and the former manager of Tudatong (Deqing) Co., Ltd. (圖達通智能科技(德清)有限公司), is beneficially interested in 20%. Each of the other five members of Aurora has less than 20% beneficial interests therein.

5. Proxy Shareholders

The Niu 2001 Revocable Trust

The Niu 2001 Revocable Trust is established in the U.S. and a Proxy Shareholder, its trustee is Xinhui Niu. Mr. Niu became acquainted with the Target Company through Dr. Bao as the two were in the same research group in the graduate school in UC Berkeley. They co-founded Timbre Technologies, Inc., and were colleagues until 2004 when Mr. Niu left Timbre Technologies.

Rong Shengwen

Rong Shengwen is an individual investor and a Proxy Shareholder. Mr. Rong works at Byte Dance as a Finance Business Partner Leader for Global Products and Functions, and became acquainted with the Target Company through personal acquaintance with Dr. Bao.

Zhang Wen Qi

Zhang Wen Qi is an individual investor and a Proxy Shareholder. Mr. Zhang is an investor, and became acquainted with the Target Company through personal connection with Dr. Bao's family.

Jinsong Xiao and Xingrong Zhang

Each of Jinsong Xiao and Xingrong Zhang is an individual investor and a Proxy Shareholder. Mr. Xiao works as an executive at Applied Materials, Inc. (a company whose common stock is traded on the Nasdaq Global Select Market (stock ticker: AMAT), and became acquainted with the Target Company through personal connection with Dr. Bao. To the best of the knowledge of the Directors of the Successor Company, each of Jinsong Xiao and Xingrong Zhang, being spouses, decided to co-invest in the Target Company under the same shareholder name.

6. Banyan Partners Fund II, L.P.

Banyan Partners Fund II, L.P. (the "**Fund**") is an exempted limited partnership registered under the laws of Cayman Islands, the general partner of which is Banyan Partners II Ltd., an exempted company incorporated in the Cayman Islands with limited liability, which is beneficially owned by Mr. Hoi Pong Wong. The Fund has a diverse base of limited partners. The Fund is principally engaged in early and growth-stage investments in the internet and consumption, new technology and healthcare and biotech related sector.

7. Often Excel Investments Limited

Often Excel Investments Limited is a BVI business company incorporated in the BVI and primarily engaged in equity investment. Often Excel Investments Limited is ultimately controlled by Lin Lei. Lin Lei became acquainted with the Target Company through an introduction to Dr. Bao by a mutual friend a few years ago prior to the establishment of the Target Company.

8. ERVC Technology IV LP

ERVC Technology IV LP is an exempted limited partnership registered under the laws of Bermuda. The general partner of ERVC Technology IV LP is ERVC Technology Advisors IV LP, and the general partner of ERVC Technology Advisors IV LP is Eight Roads GP. There are two limited partners holding more than 30% of ERVC Technology IV LP, one is Eight Roads Investments, and the other one is Impresa Fund III LP. Eight Roads GP is indirectly wholly owned by Eight Roads Management Limited and Eight Roads Management Limited is owned as to more than one-third by Cliff Trail LLC and Crow Lane Limited.

9. F-Prime Capital Partners Tech Fund II LP

F-Prime Capital Partners Tech Fund II LP is a limited partnership established under the laws of Delaware, the United States. It is a global venture capital investment fund and it and its affiliated funds (collectively, "**F-Prime Capital**") invest in the healthcare and technology sectors in the U.S., Europe and Asia. As a global venture capital investment fund, F-Prime Capital has a diverse base of investors and limited partners. The general partner of F-Prime Capital Partners Tech Fund II LP is F-Prime Capital Partners Tech Advisors Fund II LP, a limited partnership established under the laws of Delaware. The general partner of F-Prime Capital Partners Tech Advisors Fund II LP is Impresa Holdings LLC. Impresa Holdings LLC is wholly owned and managed by Impresa Management LLC as its managing member. Impresa Management LLC is controlled (as defined under the SFO) by each of Abigail P. Johnson and Edward C. Johnson IV.

10. CGC Elegant Rosette Limited

CGC Elegant Rosette Limited is a BVI business company incorporated in the BVI which is wholly owned by CGC Asia Growth Fund II, L.P. ("**CGC Asia**"), an exempted limited partnership incorporated in the Cayman Islands. The general partner of CGC Asia is CGC UF2 Limited which is also the general partner of CGC China Growth Fund II, L.P. ("**CGC China**"). CGC China is also the sole limited partner of CGC Asia. None of the limited partners of CGC China holds 30% or more partnership interests therein. CGC UF2 Limited is wholly owned by Chen Dafei (陳達飛), with principal business focus on fund management and investment in the high-tech industry. No limited partners/shareholders hold 30% or more interests in CGC Elegant Rosette Limited.

11. Bideford Global Holdings Limited

Bideford Global Holdings Limited is incorporated in the BVI. The largest shareholder of Bideford Global Holdings Limited is Zhang Xiangdong whose primary business is in the investment of early-stage technology startups.

12. SF Motors, Inc.

SF Motors, Inc. is incorporated in the U.S. on January 25, 2016. The controlling shareholder of SF Motors, Inc. is Seres Auto Co., Ltd. (賽力斯汽車有限公司) which is owned as to 96.65% by Seres Group Co., Ltd. (賽力斯集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601127). The ultimate controller of Seres Group Co., Ltd. is Zhang Xinghai (張興海).

13. SVB Financial Group

SVB Financial Group is a diversified financial services company incorporated in the state of Delaware in the United States in March 1999. Through its various subsidiaries and divisions, it offers a diverse set of banking and financial products and services to clients across the United States, as well as in key international innovation markets, primarily in the technology, life science/healthcare, private equity/venture capital and premium wine industries.

14. Grand Perfect Investment Limited

Grand Perfect Investment Limited is a limited liability company incorporated in Hong Kong, principally engaged in investment and investment management. It is wholly owned by Shangrong Holdings Limited* (尚榮控股有限公司), a BVI company, who is in turn wholly owned by Tseung Ming (蔣明).

15. Gateway Capital Investments Inc.

Gateway Capital Investments Inc. is a registered private investment fund and licensed in accordance with the Financial Services Commission of the BVI on July 30, 2020. It is principally engaged in venture stage investing. Gateway Capital Investments Inc. is both controlled by and ultimately controlled by its individual ultimate beneficial owner, Fraser Blanchflower as to 100% of management shareholding. Gateway Capital has two directors, Fraser Blanchflower and BSM Group LTD.

16. Yuyao Yangmingzhixing Investment Center (Limited Partnership) (餘姚市陽明智行投資中心(有限合夥))

Yuyao Yangmingzhixing Investment Center (Limited Partnership) (餘姚市陽明智行投資中心(有限合夥)) ("**Yangmingzhixing**") is a limited partnership incorporated in the PRC on January 6, 2017. It is principally engaged in equity investment. The general partner of Yangmingzhixing is Ningbo Meishan Bonded Port Area Shunxin Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區舜鑫投資管理合夥企業(有限合夥)) ("**Shunxin Investment**") whose general partner is Ningbo Meishan Bonded Port Area Shunyi Investment Management Co., Ltd. (寧波梅山保稅港區舜翌投資管理有限公司) which is wholly owned by Shunyu Group Co., Ltd. (舜宇集團有限公司) ("**Shunyu Group**") and ultimately controlled by Wang Wenjian (王文鑑). Shunxin Investment has two limited partners each holding more than 30% partnership interests therein. Such two limited partners are (i) Shunyu Optical (Zhejiang) Research Institute Co., Ltd. (舜宇光學(浙江)研究院有限公司) which is also wholly owned by Shunyu Group; and (ii) Ningbo Meishan Bonded Port Area Longyi Kefu Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區龍翌科富投資管理合夥企業(有限合夥)) ("**Longyi Kefu**") whose general partner is Ge Xuehui. Longyi Kefu has two limited partners each holding more than 30% partnership interests therein. Such two limited partners are (i) Xu Xiaonian, and (ii) Ningbo Meishan Bonded Port Area Longyi Huafu Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區龍翌華富投資管理合夥企業(有限合夥)) which is also controlled by Ge Xuehui. None of the limited partners of Yangmingzhixing holds 30% or more partnership interests therein.

17. Beijing Century Crest Investment Co., Ltd. (北京世紀凱悅投資有限公司)

Beijing Century Crest Investment Co., Ltd. (北京世紀凱悅投資有限公司) is a limited liability company established in the PRC on October 8, 2003. It is controlled by Shanghai Lanlai Industrial Development Co., Ltd. (上海嵐萊實業發展有限公司) and ultimately controlled by Yan Jianming and Pan Guocui each as to 50%, respectively.

18. Zhou Shaofeng

Zhou Shaofeng is an independent investor, and became acquainted with the Target Company through the provision of legal consulting services to certain subsidiaries within the Target Group in the course of their financing.

19. Joyson Electronic USA LLC

Joyson Electronic USA LLC is a limited liability company incorporated in the U.S. as an investment holding company and is wholly owned by Ningbo Joyson Electronic Corporation (寧波均勝電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600699). The ultimate controller of Ningbo Joyson Electronic Corporation (寧波均勝電子股份有限公司) is Mr. Wang Jianfeng (王劍峰) who owns 39.22% of shareholding therein.

20. Dahlia Investments Pte. Ltd.

Dahlia Investments Pte. Ltd. is a limited liability company incorporated in Singapore on May 28, 2004, which is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S$389 billion (RMB2.08 trillion) as at March 31, 2024. Marking its unlisted assets to market would provide S$31 billion (RMB166 billion) of value uplift and bring its mark to market net portfolio value to S$420 billion (RMB2.25 trillion). Temasek's purpose "So Every Generation Prospers" guides it to make a difference for today's and future generations. Operating on commercial principles, Temasek seeks to deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and London, Brussels, Paris, New York, San Francisco, Washington DC, and Mexico City outside Asia.

21. BAI Capital Fund I, L.P.

BAI Capital Fund I, L.P. is an exempted limited partnership registered under the laws of Cayman Islands, the general partner of which is BAI Capital Fund I Limited, which is owned by Perfect Sense Ventures Limited and ultimately controlled by Yu Long. BAI Capital Fund I, L.P. has 30 limited partners, each holding less than 30% partnership interests therein. It is principally engaged in equity investment.

22. BAI GmbH

BAI GmbH is a company incorporated in Germany, which is wholly owned by Reinhard Mohn GmbH. Reinhard Mohn GmbH is wholly owned by Bertelsmann SE&Co. KgaA, which is controlled by Bertelsmann Verwaltungsgesellschaft. Bertelsmann Verwaltungsgesellschaft is controlled by Mr. Christoph Mohn.

23. Joy Capital III, L.P.

Joy Capital III, L.P. is an exempted limited partnership registered under the laws of Cayman Islands, the general partner of which is Joy Capital III GP, L.P., and is ultimately controlled by Joy Capital GP Trust. The settlor of Joy Capital GP Trust is Joy Capital Management Ltd. Joy Capital III, L.P. has 39 limited partners, and none of them hold 30% or more partnership interests therein.

24. Aodong Investments Limited

Aodong Investments Limited is a BVI business company incorporated in the BVI. It is wholly owned by Dongqing Cai.

25. Rosewater Limited

Rosewater Limited is incorporated in the Bahamas Islands and is an investment holding company. Rosewater Limited has two shareholders namely, Serangoon Limited, and Seletar Limited, both incorporated in the Bahamas Islands, and each holding 50% in Rosewater. Rosewater Limited is ultimately controlled by Credit Suisse Trust Limited, a company ultimately owned by UBS AG (formerly Credit Suisse AG).

26. Silver Bear Fields LLC

Silver Bear Fields LLC is a limited liability company incorporated in the U.S. in December 2014, primarily engaging in investments. Will Challas, being a managing member and the ultimate beneficial owner of Silver Bear Fields LLC, also engages in numerous financial and real estate related investments including public and private market investments (since mid 1980s), hotel ownership (since 2002), manufactured housing rentals (since 2018) and real estate investments and management. We became acquainted with Will Challas in the mid 2010s through an office lease.

27. Angel Prosperity Investment VI Limited

Angel Prosperity Investment VI Limited is a limited liability company incorporated in the BVI on June 9, 2021. It is wholly owned by Guotai Junan International Private Equity Fund SPC-SP-AI, an investment fund incorporated in the Cayman Islands, which is wholly owned by Guotai Junan Financial Products Co., Ltd. (國泰君安金融產品有限公司) and is in turn wholly owned by Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1788).

28. Astrend Opportunity III Alpha Limited

Astrend Opportunity III Alpha Limited is a BVI business company incorporated in the BVI, which is wholly owned by Shunwei China Internet Opportunity Fund III, L.P. Shunwei China Internet Opportunity Fund III, L.P. has a diverse base of limited partners. The general partner of Shunwei China Internet Opportunity Fund III, L.P. is Shunwei Capital Partners IV GP, L.P. and the general partner of Shunwei Capital Partners IV GP, L.P. is Shunwei Capital Partners IV GP Limited. Silver Unicorn Ventures Limited holds more than 50% of the issued and outstanding shares in Shunwei Capital Partners IV GP Limited, and Mr. Koh Tuck Lye is the sole shareholder of Silver Unicorn Ventures Limited.

Mr. Koh Tuck Lye co-founded Shunwei Capital in 2011, an early to growth stage venture capital firm focusing on deep technology, smart manufacturing, Internet+, consumer IoT, consumption, enterprise services and electric vehicle ecosystem sectors.

29. Zhengce Dazheng Limited

Zhengce Dazheng Limited is a BVI business company incorporated in the BVI and is controlled by Beijing Zhengqi Enterprise Management Partnership (Limited Partnership) (北京鉦祺企業管理合夥企業(有限合夥)) ("**Beijing Zhengqi**"). The general partner of Beijing Zhengqi is Beijing Zhengguan Business Service Co., Ltd. (北京鉦冠商務服務有限公司), which is wholly owned by Beijing Zhengjia Business Service Co., Ltd. (北京鉦嘉商務服務有限公司) and is in turn wholly owned by Beijing Centurium Management Consulting Co., Ltd. (北京大鉦管理諮詢有限公司) ("**Beijing Dazheng**"), which is ultimately controlled by Hui Li (黎輝). The sole limited partner of Beijing Zhengqi is Xiamen Dazheng Phase II Investment Fund Partnership (Limited Partnership) (廈門大鉦二期投資基金合夥企業(有限合夥)) ("**Dazheng Phase II**") whose general partner is Xiamen Dazheng Enterprise Management Partnership (Limited Partnership) (廈門大鉦企業管理合夥企業(有限合夥)) ("**Xiamen Dazheng**") and the general partner of which is Xiamen Dacheng Private Equity Fund Management Co., Ltd. (廈門大鉦私募基金管理有限公司) which is an indirect wholly-owned subsidiary of Beijing Dazheng. The sole limited partner of Xiamen Dazheng is ultimately controlled by Wangyang Sha (沙汪洋).

30. Guoce Holding Limited

Guoce Holding Limited is a limited company incorporated in the BVI on February 22, 2021. It is controlled by Shanghai Tuda Enterprise Management Partnership (Limited Partnership) (上海圖躂企業管理中心(有限合夥)) ("**Shanghai Tuda**"), a limited partnership established in the PRC on December 10, 2021. The general partner of Shanghai Tuda is Shanghai Shenghe Enterprise Management Center (Limited Partnership) (上海晟閡企業管理中心(有限合夥)) ("**Shanghai Shenghe**") whose general partner is Shanghai Jiayue Zhang Management Consulting Co., Ltd. (上海嘉躍章管理諮詢有限公司) which is controlled as to 58.5% by Shanghai Haozhi Management Consulting Co., Ltd. (上海皓郅管理諮詢有限公司) whose ultimate beneficial owner is Lu Ziye (陸諮燁). The sole limited partner of Shanghai Shenghe is Jiaxing Haomei Equity Investment Partnership (Limited Partnership) (嘉興皓美股權投資合夥企業(有限合夥)) ("**Jiaxing Haomei**") whose general partner is Shanghai Guoce Investment Management Co., Ltd. (上海國策投資管理有限公司) ("**Shanghai Guoce**"). Jiaxing Haomei has three limited partners, namely, Song Wenfu, Liu Xiaoling, Wang Shufang, and each of them holds 33.3% partnership interests in Jiaxing Haomei. The limited partner which holds more than 30% partnership interests in Shanghai Tuda is Shanghai Guoce Technology Manufacturing Equity Investment Fund Partnership (Limited Partnership) (上海國策科技製造股權投資基金合夥企業(有限合夥)) ("**Guoce Fund**") whose general partner is also Shanghai Guoce. None of the limited partners of Guoce Fund holds 30% or more partnership interests therein.

31. Haixia Dolphin Limited Partnership

Haixia Dolphin Limited Partnership is incorporated in the BVI, the general partner of which is Junjie Sun (孫俊杰). It has 15 limited partners, and none of them hold 30% or more partnership interests therein. It is principally engaged in equity investment.

32. Hainan Shouzheng Qilin Venture Capital Fund Partnership (Limited Partnership) (海南守正麒麟創業投資基金合夥企業(有限合夥))

Hainan Shouzheng Qilin Venture Capital Fund Partnership (Limited Partnership) (海南守正麒麟創業投資基金合夥企業(有限合夥)) ("**Shouzheng Qilin**") is a limited partnership established in the PRC on February 24, 2021. The general partner of Shouzheng Qilin is Hainan Shouzheng Private Equity Fund Management Partnership (Limited Partnership) (海南守正私募基金管理合夥企業(有限合夥)) ("**Shouzheng Fund**") whose general partner is Haixia Private Equity Fund Management Co., Ltd. (海峽私募基金管理有限公司) which is held by Ke Yumin as to 40% and Sun Junjie as to 60%. Sun Junjie is also the sole limited partner of Shouzheng Fund. Shouzheng Qilin has seven limited partners and none of which holds 30% or more partnership interests therein.

33. Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Twelve SP

Hermitage Galaxy Fund SPC is a segregated portfolio company incorporated in the Cayman Islands. Hermitage Galaxy Fund SPC primarily engages in private equity investments. The management share of Hermitage Galaxy Fund SPC is owned as to 100% by Hermitage Fund Management Limited. Hermitage Fund Management Limited is ultimately controlled by Mr. Yuqiu Xiang.

Founded in 2017, Hermitage Fund is headquartered in Hong Kong and has an office in Shanghai. All the partners have served as senior executives in top international investment banks and asset management firms. Hermitage Capital is dedicated to the global technology field, focusing on artificial intelligence, autonomous driving, financial technology, cloud computing and other potential emerging industries.

34. Perfect Vision Global Limited

Perfect Vision Global Limited is incorporated in the British Virgin Islands, which is principally engaged in investment holding. It is wholly-owned by Chow Tai Fook Enterprises Limited, which is ultimately controlled by Dr. Cheng Kar-Shun, Henry and other family members of the late Dato' Dr. Cheng Yu Tung.

35. Z1 Virtual Holdings Limited

Z1 Virtual Holdings Limited is a BVI business company incorporated in BVI. It is principally engaged in equity investment.

36. Wuhan Ronghui Dingteng Equity Investment Partnership (Limited Partnership) (武漢融輝鼎騰股權投資合夥企業(有限合夥))

Wuhan Ronghui Dingteng Equity Investment Partnership (Limited Partnership) (武漢融輝鼎騰股權投資合夥企業(有限合夥)) ("**Wuhan Ronghui**") is a limited partnership established in the PRC on March 7, 2022. The general partner of Wuhan Ronghui is Beijing Huacheng Lihe

Investment Co., Ltd. (北京華誠力合投資有限公司) which is controlled each as to 50% by Wang Jizhuo and Wang Shumin. The sole limited partner of Wuhan Ronghui is Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) ("**Zhongrong Trust**"). Zhongrong Trust is controlled (i) as to approximately 37.47% by Jingwei Textile Machinery Co., Ltd. (經緯紡織機械股份有限公司) which is ultimately controlled by the State Council; and (ii) as to approximately 32.99% by China Forestry Group Co., Ltd. (中植企業集團有限公司) which, to the best knowledge of the Target Company, was known to be ultimately controlled by Xie Zhikun.

37. Suzhou Xiangcheng District Xiangju Intelligent Internet of Vehicles Industry Venture Capital Center (Limited Partnership) (蘇州市相城區相聚智能車聯網產業創業投資中心(有限合夥))

Suzhou Xiangcheng District Xiangju Intelligent Internet of Vehicles Industry Venture Capital Center (Limited Partnership) (蘇州市相城區相聚智能車聯網產業創業投資中心(有限合夥)) ("**Suzhou Intelligent Vehicles**") is a limited partnership established in the PRC on June 17, 2021. The general partner of Suzhou Intelligent Vehicles is Suzhou Xiangcheng Private Fund Management Co., Ltd. (蘇州市相城私募基金管理有限公司) which is ultimately wholly owned by State-owned Assets Supervision and Administration Office of Xiangcheng District People's Government of Suzhou (蘇州市相城區人民政府國有資產監督管理辦公室) ("**Xiangcheng Government**"). There are two limited partners of Suzhou Intelligent Vehicles which hold more than 30% partnership interests therein, namely, (i) Suzhou Tongyuan Investment Development Co., Ltd. (蘇州通源投資發展有限公司) which is ultimately controlled by Xiangcheng Government; and (ii) Suzhou Tailian Venture Capital Center (Limited Partnership) (蘇州太聯創業投資中心(有限合夥)), which is ultimately controlled by Suzhou High-speed Railway New Town Management Committee (蘇州高鐵新城管理委員會).

38. Beijing Xingzheng Deqing Enterprise Management Partnership (Limited Partnership) (北京興證德清企業管理合夥企業(有限合夥))

Beijing Xingzheng Deqing Enterprise Management Partnership (Limited Partnership) (北京興證德清企業管理合夥企業(有限合夥)) ("**Beijing Xingzheng**") is a limited partnership established in the PRC on April 25, 2023. The general partner of Beijing Xingzheng is Zhang Te. The sole limited partner of Beijing Xingzheng is Deqing Xingzheng Equity Investment Partnership (Limited Partnership) (德清興證股權投資合夥企業(有限合夥)) ("**Deqing Xingzheng**"). Deqing Xingzheng has two general partners, namely, (i) Xingzheng Innovation Capital Management Co., Ltd. (興證創新資本管理有限公司) which is wholly owned by Industrial Securities Co., Ltd. (興業證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601377); and (ii) Shanghai Zhongdi Investment Co., Ltd. (上海中締投資有限公司) which is ultimately controlled by Li Tongzuan and Zhang Huixian.

39. Beijing Daxin Enterprise Management Partnership (Limited Partnership) (北京達昕企業管理合夥企業(有限合夥))

Beijing Daxin Enterprise Management Partnership (Limited Partnership) (北京達昕企業管理合夥企業(有限合夥)) ("**Beijing Daxin**") is a limited partnership established in the PRC on May 5, 2023. The general partner of Beijing Daxin is CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司) ("**CICC Private Equity**") which is wholly owned by China International Capital Corporation Limited (601995.SH; 3908.HK). The sole limited partner of Beijing Daxin is China International Capital Corporation Innovusion (Pinghu) Equity Investment Partnership (Limited Partnership) (中金圖達通(平湖)股權投資合夥企業(有限合夥)) ("**CICC Innovusion**") whose general partner is also CICC Private Equity. The sole limited partner of CICC Innovusion is Pinghu Xinhong Industrial Investment Co., Ltd. (平湖市新弘實業投資有限公司) which is ultimately controlled by the Finance Bureau of Pinghu (平湖市財政局).

40. Wuxi Huikai Guolian Tongda Private Equity Fund (Limited Partnership) (無錫惠開國聯通達私募投資基金(有限合夥))

Wuxi Huikai Guolian Tongda Private Equity Fund (Limited Partnership) (無錫惠開國聯通達私募投資基金(有限合夥)) ("**Wuxi Huikai**") is a limited partnership established in the PRC on May 25, 2023. The general partner of Wuxi Huikai is Guolian Tongbao Capital Investment Co., Ltd. (國聯通寶資本投資有限責任公司) which is wholly owned by Guolian Securities Co., Ltd. (國聯證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601456). The sole limited partner of Wuxi Huikai is Wuxi Huizhi Industrial Investment and Development Partnership (Limited Partnership) (無錫惠致產業投資發展合夥企業(有限合夥)) ("**Wuxi Huizhi**") whose general partner is Wuxi Huikaizhenghe Private Equity Fund Management Co., Ltd. (無錫惠開正合私募基金管理有限公司) which is ultimately wholly owned by Wuxi Huishan Economic Development Zone State-owned Assets Management Office (無錫惠山經濟開發區國有資產管理辦公室) ("**Wuxi Office**"). Wuxi Huizhi has two limited partners and both of them hold more than 30% partnership interests therein, namely, Wuxi Huikai Investment Management Co., Ltd. (無錫惠開投資管理有限公司) and Wuxi Huihe New Venture Industry Investment Co., Ltd. (無錫惠合新創產業投資有限公司). Both of the limited partners of Wuxi Huizhi are ultimately controlled by Wuxi Office.

41. Shanghai Junzhang Enterprise Management Partnership (Limited Partnership) (上海雋嶂企業管理合夥企業(有限合夥))

Shanghai Junzhang Enterprise Management Partnership (Limited Partnership) (上海雋嶂企業管理合夥企業(有限合夥)) ("**Shanghai Junzhang**") is a limited partnership established in the PRC on September 4, 2023. The general partner of Shanghai Junzhang is Shanghai SAIC Hengxu Investment Management Co., Ltd. (上海上汽恒旭投資管理有限公司) ("**SAIC Hengxu**"), which is controlled as to 45% by Shanghai Qijia Enterprise Management Consulting Partnership (Limited Partnership) (上海頎嘉企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Qijia**") and as to 40% by SAIC Financial Holding Management Co., Ltd. (上海汽車集團金控管理有限公司) ("**SAIC Financial**"). The general partner of Shanghai Qijia is Shanghai Shengqi Enterprise Management Consulting Co., Ltd. (上海晟頎企業管理諮詢有限公司), which is controlled by Lu Yongtao. Lu Yongtao is also the limited partner which holds more than 30% partnership interests in Shanghai Qijia. SAIC Financial is wholly owned by SAIC Motor Corporation Limited (上海汽車集團股份有限公司) (600104.SH). The sole limited partner of Shanghai Junzhang is Suzhou Hengjunda Venture Capital Partnership (Limited Partnership) (蘇州恒雋達創業投資合夥企業(有限合夥)) ("**Suzhou Hengjunda**") whose general partner is also SAIC Hengxu. The limited partner which holds more than 30% partnership interests in Suzhou Hengjunda is Suzhou Huanxiuhu Xincheng Industrial Investment Development Partnership (Limited Partnership) (蘇州環秀湖鑫誠產業投資發展合夥企業(有限合夥)) which is ultimately controlled by Suzhou High-speed Railway New Town Management Committee (蘇州高鐵新城管理委員會).

42. Sunnyvision Limited

Sunnyvision Limited is an investment holding company held as to 88% by Zhang Caihong, and 2% each by Wang Taili, Zhang Jiayao, Li Xiaotong, Meng Xiaoting, Sun Huitao, and Liu Yannan, respectively.

CAPITAL RESTRUCTURING

Prior to the completion of the De-SPAC Transaction, the Target Company will implement the Capital Restructuring, which involves among others, the conversion of Target Company Preferred Shares to Target Company Ordinary Shares in accordance with the Target Company Articles and the Capitalization Issue. For details, please refer to the section headed "Letter from TechStar Board – F. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (c) Pre-Closing Actions".

PUBLIC FLOAT

Upon completion of the De-SPAC Transaction (assuming the Presumptions), and save for the following Successor Company Shares held by the Target Company Shareholders who are either (i) core connected persons (or their respective close associates) or (ii) non-core connected persons who, pursuant to the Voting Proxy Agreements, have granted to Dr. Bao such voting rights with respect to such number of Successor Company Shares, namely:

(i) 8.07% of the voting rights of the Successor Company Shares held by Phthalo Blue LLC, where Dr. Bao served as its manager, and therefore a close associate of Dr. Bao;

(ii) 4.59% of the voting rights of the Successor Company Shares held by High Altos Limited, a company wholly owned by Dr. Bao and therefore a close associate of Dr. Bao;

(iii) 1.69% of the voting rights of the Successor Company Shares held by Dr. Li Yimin, an executive Director of the Successor Company;

(iv) 1.08% of the voting rights of Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested Target Company Options to specified participants under the 2016 Share Incentive Plan, which include participant who is a core connected person of the Target Company, namely Mr. Pu Xinghua (蒲興華), a director of certain of our major subsidiaries, who holds approximately 10.45% of the equity interests in Enlightning Limited; and

(v) 1.04% of the voting rights of the Successor Company Shares held collectively by the Proxy Shareholders who, pursuant to the Voting Proxy Agreements, granted to Dr. Bao the right to exercise, in his sole discretion, all voting rights attached to such number of Successor Company Shares. The voting proxy granted by the Proxy Shareholders will not terminate upon the Closing pursuant to the terms of the Voting Proxy Agreements.

The voting rights attached to the remaining Successor Company Shares held by all other Pre-Listing Investors and the Successor Company Shareholders who are not core connected persons of the Successor Company and will not be accustomed to taking instructions from the core connected persons in relation to the acquisition, disposal, voting or other disposition of the Successor Company Shares held or to be allotted to them will count towards the public float.

Accordingly, upon the completion of the De-SPAC Transaction, approximately 83.54% of the issued share capital of the Successor Company (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares) or 82.09% (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares), will count towards the public float. Hence, over 15% of the Successor Company Shares will be held by the public upon completion of the De-SPAC Transaction as required under Rule 8.08(1)(a) of the Listing Rules.

CAPITALIZATION OF THE TARGET COMPANY

The below table summarizes the capitalization of the Target Company as of the date of this circular and the Successor Company immediately after the completion of the De-SPAC Transaction:

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Single Largest Group of Shareholders												
Phthalo Blue LLC[2][6]	5,735,371	–	–	–	–	–	–	–	5,735,371	10.60%	109,708,072	8.07%
High Altos Limited[2][6]	3,264,630	–	–	–	–	–	–	–	3,264,630	6.04%	62,446,921	4.59%
Sub-total	**9,000,001**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,000,001**	**16.64%**	**172,154,993**	**12.66%**
ESOP Proxy Grantors												
Enlightning[6] Limited	765,656	–	–	–	–	–	–	–	765,656	1.42%	14,645,721	1.08%
An Da[6]	1,041	–	–	–	–	–	–	–	1,041	0.00%	19,913	0.00%
Chard Jeffery[6]	18,664	–	–	–	–	–	–	–	18,664	0.03%	357,011	0.03%
Chen Jinsong[6]	18,333	–	–	–	–	–	–	–	18333	0.03%	350,680	0.03%
Cheung George[6]	30,000	–	–	–	–	–	–	–	30,000	0.06%	573,850	0.04%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Ferns Jason[6]	48,250	–	–	–	–	–	–	–	48,250	0.09%	922,942	0.07%
Green John[6]	11,250	–	–	–	–	–	–	–	11,250	0.02%	215,194	0.02%
Hsiang Stephen[6]	4,166	–	–	–	–	–	–	–	4,166	0.01%	79,689	0.01%
Huang Davy[6]	35,000	–	–	–	–	–	–	–	35,000	0.06%	669,492	0.05%
Huang Min[6]	120,000	–	–	–	–	–	–	–	120,000	0.22%	2,295,400	0.17%
Li Jim[6]	2,000	–	–	–	–	–	–	–	2,000	0.00%	38,257	0.00%
Li Randy[6]	10,000	–	–	–	–	–	–	–	10,000	0.02%	191,283	0.01%
Liao Zhigang[6]	20,000	–	–	–	–	–	–	–	20,000	0.04%	382,567	0.03%
Loveridge Barry[6]	36,000	–	–	–	–	–	–	–	36,000	0.07%	688,620	0.05%
Makwana Keyur[6]	3,280	–	–	–	–	–	–	–	3,280	0.01%	62,741	0.01%
Mao Biyu[6]	75,349	–	–	–	–	–	–	–	75,349	0.14%	1,441,301	0.11%
Medvedev Alexey[6]	28,645	–	–	–	–	–	–	–	28,645	0.05%	547,931	0.04%
Shuyi Tang[6]	244,687	–	–	–	–	–	–	–	244,687	0.45%	4,680,454	0.34%
Surabhi Vivek[6]	18,750	–	–	–	–	–	–	–	18,750	0.03%	358,656	0.03%
Tran Christine[6]	4,124	–	–	–	–	–	–	–	4,124	0.01%	78,885	0.01%
Wang Ning-Yi[6]	50,000	–	–	–	–	–	–	–	50,000	0.09%	956,417	0.07%
Xie Jacky[6]	7,150	–	–	–	–	–	–	–	7,150	0.01%	136,768	0.01%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Yin Wei[6]	3,062	–	–	–	–	–	–	–	3,062	0.01%	58,571	0.00%
Zhang Rui[6]	100,416	–	–	–	–	–	–	–	100,416	0.19%	1,920,790	0.14%
Zhou Gang[6]	135,000	–	–	–	–	–	–	–	135,000	0.25%	2,582,325	0.19%
Sub-total	**1,922,343**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,790,823**	**3.31%**	**34,255,458**	**2.52%**
Proxy Shareholders												
Rong Shengwen[6]	4,263	–	4,852	–	–	–	–	–	9,115	0.02%	413,708	0.03%
The Niu 2001 Revocable Trust[6]	8,526	–	9,705	–	–	–	–	–	18,231	0.03%	827,530	0.06%
Jinsong Xiao and Xingrong Zhang[6]	17,051	–	19,411	–	–	–	–	–	36,462	0.07%	1,655,117	0.12%
Yang Zheng[6]	177,364	–	19,411	52,371	65,878	–	–	–	315,024	0.58%	6,983,543	0.51%
Zhang Wen Qi[6]	17,051	–	19,411	137,505	–	–	–	–	173,967	0.32%	4,285,358	0.32%
Sub-total	**224,255**	**–**	**72,790**	**199,008**	**65,878**	**–**	**–**	**–**	**552,799**	**1.02%**	**14,165,256**	**1.04%**

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	**Target Company Ordinary Shares**	**Series Seed Preferred Shares**	**Series A Preferred Shares**	**Series A1 Preferred Shares**	**Series B Preferred Shares**	**Series B+ Preferred Shares**	**Series C Preferred Shares**	**Series D Preferred Shares**	**Aggregate total number of Target Company Shares**	**Aggregate ownership and voting rights percentage**	**Aggregate total number of Successor Company Shares**	**Aggregate ownership and voting rights percentage[1]**
Other existing Target Company Shareholders												
Shanghai Ultimate Acme Enterprise Management Consulting Partnership (Limited Partnership)[6]	–	–	–	1,023,192	–	–	–	–	1,023,192	1.89%	19,571,955	1.44%
Wuhan Guangyue Hengda Private Equity Investment Fund Management Partnership (Limited Partnership)[6]	–	–	–	–	–	–	523,223	–	523,223	0.97%	10,008,382	0.74%
Sub-total	**–**	**–**	**–**	**1,023,192**	**–**	**–**	**523,223**	**–**	**1,546,415**	**2.86%**	**29,580,337**	**2.18%**

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction		
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Li Yimin[6]	1,200,000	–	–	–	–	–	–	–	1,200,000	2.22%	22,953,996	1.69%
Honour Key Limited[6]	–	–	970,591	1,942,170	1,083,239	–	–	–	3,996,000	7.39%	124,323,359	9.14%
Glory Summer Worldwide Limited[6]	–	–	–	–	–	721,506	523,223	–	1,244,729	2.30%	23,809,588	1.75%
Banyan Partners Fund II, L.P.[6]	85,216	1,500,000	388,236	–	–	–	–	–	1,973,452	3.65%	56,903,436	4.18%
Often Excel Investments Limited[6]	85,258	1,000,000	291,177	45,948	434,684	–	–	–	1,857,067	3.43%	49,888,541	3.67%
ERVC Technology IV LP[6]	–	–	324,177	988,453	429,747	286,962	115,109	–	2,144,448	3.96%	57,012,983	4.19%
F-Prime Capital Partners Tech Fund II LP[6]	–	–	161,118	494,227	214,191	142,661	5,232	–	1,017,429	1.88%	27,411,682	2.02%
CGC Elegant Rosette Limited[6]	170,517	–	194,118	–	–	–	–	–	364,635	0.67%	16,552,146	1.22%

	As of the Latest Practicable Date									Immediately upon completion of the De-SPAC Transaction			
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Bideford Global Holdings Limited[6]	85,266	–	97,059	22,974	–	–	–	–	205,299	0.38%	8,715,671	0.64%
SF Motors, Inc.[6]	127,887	–	145,588	–	–	–	–	–	273,475	0.51%	12,414,057	0.91%
SVB Financial Group[3][6]	20,698	–	–	–	–	–	–	–	20,698	0.04%	395,918	0.03%
Grand Perfect Investment Limited[6]	–	–	–	459,489	–	409,946	–	–	869,435	1.61%	16,630,840	1.22%
Gateway Capital Investments Inc.[6]	–	–	–	459,489	–	–	–	–	459,489	0.85%	8,789,257	0.65%
Yuyao Yangmingzhixing Investment Center (Limited Partnership)[6]	–	–	–	832,196	–	–	–	–	832,196	1.54%	15,918,520	1.17%
Beijing Century Crest Investment Co., Ltd.[6]	–	–	–	682,128	–	–	–	–	682,128	1.26%	13,047,970	0.96%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Zhou Shaofeng[6]	–	–	–	122,783	–	–	–	–	122,783	0.23%	2,348,634	0.17%
Joyson Electronic USA LLC[6]	–	–	–	682,128	–	–	–	–	682,128	1.26%	13,047,970	0.96%
Dahlia Investments Pte. Ltd.[6]	–	–	–	–	2,635,146	292,702	497,062	–	3,424,910	6.33%	65,512,810	4.82%
BAI Capital Fund I, L.P.[6]	–	–	–	–	1,086,997	–	–	–	1,086,997	2.01%	20,792,438	1.53%
BAI GmbH[6]	–	–	–	–	889,362	–	–	–	889,362	1.64%	17,012,010	1.25%
Joy Capital III, L.P.[6]	–	–	–	–	1,317,573	–	–	–	1,317,573	2.44%	25,202,972	1.85%
Aodong Investments Limited[6]	–	–	–	–	131,757	–	–	–	131,757	0.24%	2,520,291	0.19%
Rosewater Limited[6]	–	–	–	–	131,757	–	–	–	131,757	0.24%	2,520,291	0.19%
Silver Bear Fields LLC[6]	–	–	–	–	46,115	–	–	–	46,115	0.09%	882,103	0.06%
Angel Prosperity Investment VI Limited[6]	–	–	–	–	–	1,475,809	–	–	1,475,809	2.73%	28,229,762	2.08%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Astrend Opportunity III Alpha Limited[6]	–	–	–	–	–	819,893	–	–	819,893	1.52%	15,683,184	1.15%
Zhengce Dazheng Limited[6]	–	–	–	–	–	1,229,840	–	–	1,229,840	2.27%	23,524,786	1.73%
Guoce Holding Limited[6]	–	–	–	–	–	819,893	–	–	819,893	1.52%	15,683,184	1.15%
Haixia Dolphin Limited Partnership[6]	–	–	–	–	–	–	784,834	–	784,834	1.45%	15,012,564	1.10%
Hainan Shouzheng Qilin Venture Capital Fund Partnership (Limited Partnership)[6]	–	–	–	–	–	–	156,966	–	156,966	0.29%	3,002,498	0.22%
Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Twelve SP[6]	–	–	–	–	–	–	1,569,669	–	1,569,669	2.90%	30,025,147	2.21%

	As of the Latest Practicable Date									Immediately upon completion of the De-SPAC Transaction			
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Perfect Vision Global Limited[6]	–	–	–	–	–	–	1,046,446	–	1,046,446	1.93%	20,016,765	1.47%
Z1 Virtual Holdings Limited	–	–	–	–	–	–	444,739	–	444,739	0.82%	8,507,115	0.63%
Wuhan Ronghui Dingteng Equity Investment Partnership (Limited Partnership)[6]	–	–	–	–	–	–	523,223	–	523,223	0.97%	10,008,382	0.74%
Suzhou Xiangcheng District Xiangiu Intelligent Internet of Vehicles Industry Venture Capital Center (Limited Partnership)[6]	–	–	–	–	–	–	78,483	–	78,483	0.15%	1,501,249	0.11%
Aurora Future Investment LLC	–	–	–	–	–	–	76,809	–	76,809	0.14%	1,469,228	0.11%

	As of the Latest Practicable Date									Immediately upon completion of the De-SPAC Transaction			
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Beijing Xingzheng Deqing Enterprise Management Partnership (Limited Partnership)[6]	–	–	–	–	–	–	–	1,645,685	1,645,685	3.04%	31,479,206	2.31%
Beijing Daxin Enterprise Management Partnership (Limited Partnership)[6]	–	–	–	–	–	–	–	2,188,701	2,188,701	4.05%	41,866,196	3.08%
Wuxi Huikai Guolian Tongda Private Equity Fund (Limited Partnership)[6]	–	–	–	–	–	–	–	1,311,424	1,311,424	2.42%	25,085,352	1.84%

	As of the Latest Practicable Date									Immediately upon completion of the De-SPAC Transaction		
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Shanghai Junzhang Enterprise Management Partnership (Limited Partnership)[6]	281,021	–	–	–	–	–	–	1,077,333	1,358,354	2.51%	25,983,044	1.91%
Sunnyvision Limited[5][6]	698,972	–	–	–	–	–	–	–	698,972	1.29%	18,158,811	1.33%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction		
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
PIPE Investors												
Huangshan Construction Investment Private Equity Fund Management Co., Ltd.	–	–	–	–	–	–	–	–	–	–	38,750,000	2.85%
Wealth Strategy Holding Limited	–	–	–	–	–	–	–	–	–	–	15,600,000	1.15%
Zhuhai Hengqin Huagai Jiuyuan Investment Company Limited	–	–	–	–	–	–	–	–	–	–	780,000	0.06%

	As of the Latest Practicable Date										Immediately upon completion of the De-SPAC Transaction	
Shareholders	Target Company Ordinary Shares	Series Seed Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Aggregate total number of Target Company Shares	Aggregate ownership and voting rights percentage	Aggregate total number of Successor Company Shares	Aggregate ownership and voting rights percentage[1]
Holding vehicles of Promoters of SPAC												
CNCB AM TS Acquisition Limited	–	–	–	–	–	–	–	–	–	–	8,750,000	0.64%
Zero2IPO Acquisition Holding Limited	–	–	–	–	–	–	–	–	–	–	3,750,000	0.28%
ZCL TechStar Promoter Limited	–	–	–	–	–	–	–	–	–	–	3,750,000	0.28%
Rivulet Valley Limited	–	–	–	–	–	–	–	–	–	–	2,500,000	0.18%
INNO SPAC Holding Limited	–	–	–	–	–	–	–	–	–	–	5,000,000	0.37%
Waterwood Acquisition Corporation	–	–	–	–	–	–	–	–	–	–	1,250,000	0.09%
TechStar Class A Shareholders	–	–	–	–	–	–	–	–	–	–	110,110,000[1]	8.09%
Total	**13,287,720**	**2,750,000**	**2,741,913**	**8,080,188**	**8,466,446**	**6,199,212**	**6,345,018**	**6,223,143**	**54,093,640**	**100.00%**	**1,360,240,000[2]**	**100.00%**

Notes:

(1) This is based on 1,360,240,000 Successor Company Shares to be held by all shareholders of the Successor Company following the Target Company Shares Conversion, Capitalization Issue and the Closing, on the assumption that (i) no TechStar Class A Shareholders exercise their Redemption Right, (ii) no TechStar Class A Shareholders exercise their Appraisal Right, and (iii) there is no Permitted Equity Financing.

(2) Dr. Bao, (i) through Phthalo Blue LLC and High Altos Limited and (ii) by virtue of the Voting Proxy Agreements, will be in control of the 186,320,249 Successor Company Shares (as adjusted after Target Company Shares Conversion and Capitalization Issue) which represents approximately 13.70% of the voting rights of the Successor Company upon the Closing (assuming no TechStar Class A Shareholders exercise their Redemption Right and/or Appraisal Right) and 14.90% of the voting rights of the Successor Company upon the Closing (assuming all TechStar Class A Shareholders duly exercise their Redemption Right and/or Appraisal Right in full), respectively.

(3) Pursuant to the loan and security agreement dated April 2, 2019 entered into between the Target Company and Silicon Valley Bank ("**SVB**") in relation to, inter alia, a banking facility granted by SVB to Tudatong (Suzhou) Co., Ltd. for up to US$5.0 million in term loans and the issuance of warrants by the Target Company to SVB (the "**SVB Warrant**"), (i) SVB shall be entitled to purchase 15,000 ordinary Shares, plus up to 15,000 additional ordinary Shares at a consideration of US$1.53 per Share; (ii) SVB shall transfer the warrant to its parent company, SVB Financial Group. On March 22, 2024, SVB Financial Group exercised the warrant and the Target Company issued 20,698 ordinary Shares to it, which concluded the Target Company's obligation to issue ordinary Shares under the SVB Warrant. Pursuant to a credit facility letter dated December 19, 2022 entered into among Suzhou Tudatong, Ningbo Tudatong, Wuhan Tudatong and SPD Silicon Valley Bank Suzhou Branch ("**SPD**"), a term loan of up to RMB120 million was granted by SPD to Suzhou Tudatong, Ningbo Tudatong, and Wuhan Tudatong and the Target Company agreed to issue to SPD such warrant, which was not exercised by SPD and was terminated on August 7, 2024 with a consideration of RMB817,643.84 paid by the Target Company to SPD.

(4) The assumption of deriving the number of Successor Company Shares are (i) all the Target Company Preferred Shares (other than Series A Preferred Shares) have been converted into the Successor Company Shares on a one-to-one basis; and (ii) all the Series A Preferred Shares have been converted into the Successor Company Shares at the conversion ratio of 1:3.57929 due to commercial arrangement agreed between holders of the Series A Preferred Shares and the Target Company at the relevant time.

(5) Sunnyvision Limited is held as to 88% by Zhang Caihong, and 2% each by Wang Taili, Zhang Jiayao, Li Xiaotong, Meng Xiaoting, Sun Huitao, and Liu Yannan, respectively. The economic interests of these individual Shareholders in the Target Company remains the same as their previous direct economic interests in the Company. Wang Taili is a qualified legal practitioner, and became acquainted with the Target Company through the provision of legal consulting services as a consultant to certain PRC subsidiaries within the Target Group. Zhang Caihong is Dr. Bao's sister-in-law, and hence became acquainted with the Target Group and the others are former employees or employees of the Target Group.

(6) In connection with the Business Combination Agreement, each of these Target Company Shareholder has entered into a lock-up agreement with TechStar and the Target Company pursuant to which, among other things, and subject to the terms and conditions set forth therein, each relevant existing Target Company Shareholder will agree not to transfer the Successor Company Shares to be received by them for a period of six months from the Closing Date.

2016 SHARE INCENTIVE PLAN

The Target Company adopted the 2016 Share Incentive Plan on November 20, 2016. The purpose of the 2016 Share Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of the Target Company's business. The 2016 Share Incentive Plan is not governed by Chapter 17 of the Listing Rules as it does not involve further grant of Target Company Options and Target Company RSUs after the Listing. The principal terms of the 2016 Share Incentive Plan are set out in the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans".

POST-LISTING SHARE INCENTIVE PLAN

The Target Company adopted the Post-Listing Share Incentive Plan on December 20, 2024. The purpose of the Post-Listing Share Incentive Plan is to align the interests of eligible persons under the Post-Listing Share Incentive Plan with those of the Successor Group through ownership of shares, dividends and other distributions paid on shares and/or the increase in value of the shares, and to encourage and retain eligible persons under the Post-Listing Share Incentive Plan to make contributions to the long-term growth and profits of the Successor Group. The Successor Company Shares with respect to the Post-Listing Share Incentive Plan will only be issued after Listing upon exercise of the outstanding Target Company Options and/or vesting of Target Company RSUs (as the case may be) by the relevant grantees. The principal terms of the Post-Listing Share Incentive Plan are set out in the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans". The Successor Company will comply with Chapter 17 of the Listing Rules for the options or awards to be granted under the Post-Listing Share Incentive Plan after the completion of the De-SPAC Transaction.

REASONS FOR LISTING BY WAY OF THE DE-SPAC TRANSACTION

The Target Company considers that the net proceeds of the De-SPAC Transaction will provide the Successor Group with further capital to fund its business needs, as described in more details in the section headed "Future Plans and Use of Proceeds". The Target Company considers that Listing by way of De-SPAC Transaction provides greater degree of certainty in completing the Listing at the desirable valuation and timetable, compared to listing through initial public offering. In a de-SPAC transaction, the Target Company can have a greater degree of control in the process and expedite the timetable by negotiating the transaction terms and reaching agreement of the De-SPAC Transaction with TechStar and the Promoters directly. In addition, there is no need for the Target Company and the underwriting syndicates to observe the market fluctuation closely to determine and adjust the bookbuilding and pricing process which are inevitable in a customary initial public offering transaction. Consequently, there is more certainty on the timetable for listing by De-SPAC Transaction as compared to an initial public offering, which would partly be driven by the marketing and pricing concerns.

PREVIOUS LISTING APPLICATION ON OTHER EXCHANGES

The Target Company had previously attempted an initial public offering and listing in the United States (the "**Previous U.S. Listing Attempt**"). To that end, the Target Company had submitted for confidential review a draft registration statement on Form F-1 to the Securities and Exchange Commission in September 2022 as well as several amendments thereto; the Target Company had also submitted a listing application to the NASDAQ in March 2023 in relation to the listing of American depositary shares representing the Target Company's ordinary shares. On its own initiative, the Target Company decided to pursue this listing application instead of further pursuing the Previous U.S. Listing Attempt as it considers the Hong Kong Stock Exchange a more appropriate listing venue for the Target Company Shares. The Target Company confirms that (i) there was no material disagreement between the Target

Company and the relevant professional parties engaged for the Previous U.S. Listing Attempt; and (ii) there is no material issue regarding the Previous U.S. Listing Attempt that should be brought to the attention of the Hong Kong Stock Exchange, Target Company Shareholders, or potential investors in Hong Kong.

Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Target Company's conclusion that (i) there was no material disagreement between the Target Company and the relevant professional parties engaged for the Previous U.S. Listing Attempt; and (ii) there is no material issues raised by the Securities and Exchange Commission in the Target Company's Previous U.S. Listing Attempt which is required to be brought to the attention of the Hong Kong Stock Exchange, Target Company Shareholders or potential investors in Hong Kong.

PRC REGULATORY REQUIREMENTS

PRC Legal Adviser to the Target Company has confirmed that the registration procedures with competent local administration for market regulation in relation to the changes of equity interests of the relevant PRC subsidiary in the Target Group as mentioned in the "Major Subsidiaries and Operating Entities of the Target Group" section above have been legally completed in compliance with the applicable PRC laws and regulations in all material respects.

CSRC Filing

Pursuant to the Trial Measures released by the CSRC on February 17, 2023, the Target Company will be required to file with the CSRC in connection with this De-SPAC Transaction and Listing. For details, please refer to section headed "Regulations applicable to the Target Group's Business and Operations".

On October 14, 2025, the CSRC issued a notification on the Target Company's completion of the PRC filing procedures for the listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange.

SAFE registration in the PRC

Pursuant to the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) ("**SAFE Circular 37**"), promulgated by the SAFE and which became effective on July 14, 2014, (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore assets or domestic enterprises' equity interests in an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of

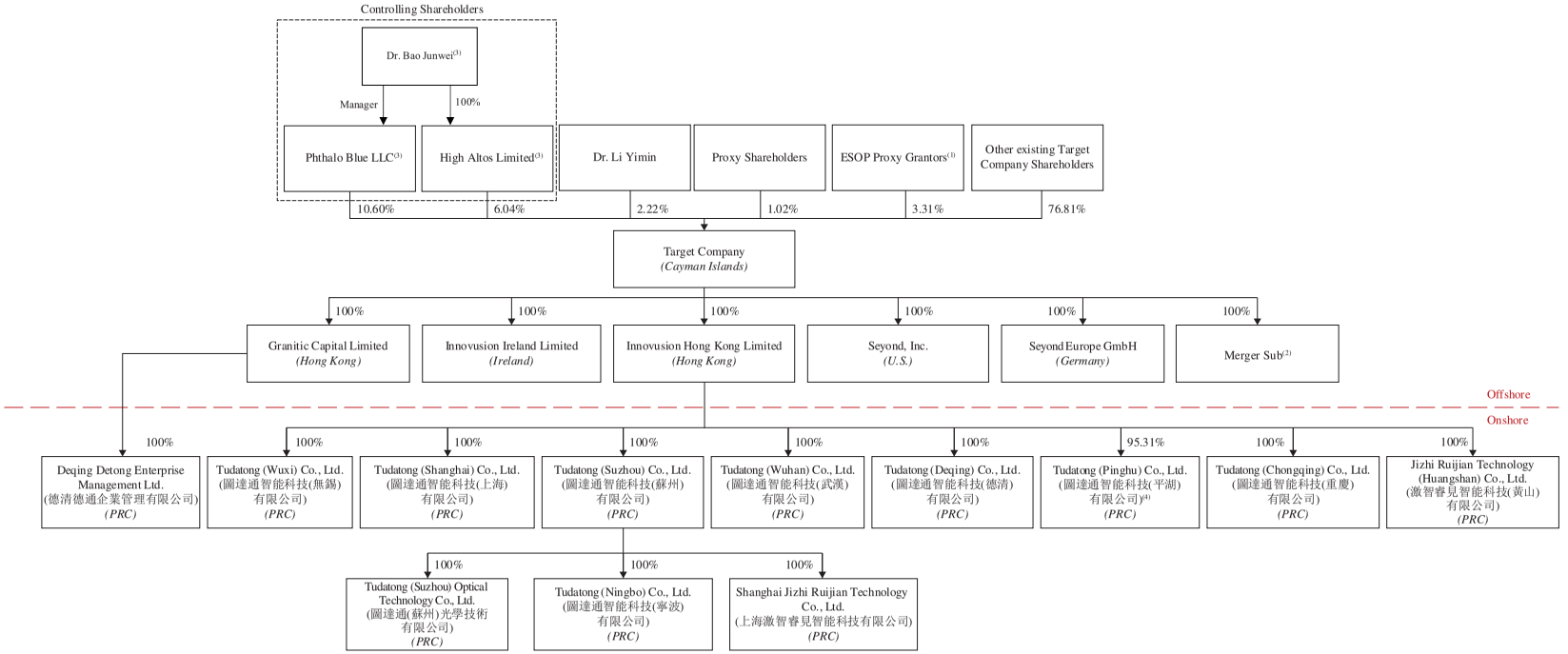
Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

Pursuant to the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) ("**SAFE Circular 13**") promulgated by the SAFE and came into effect on June 1, 2015, the local banks would review and carry out foreign exchange registration under overseas direct investment directly, and SAFE and its local branches shall implement individual supervision over foreign exchange registration of overseas direct investment via the banks.

As advised by PRC Legal Adviser to the Target Company, Dr. Bao completed the initial foreign exchange registration under the SAFE Circular 37 in July 2021.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE COMPLETION OF THE DE-SPAC TRANSACTION

The following chart sets forth the Target Group's simplified corporate and shareholding structure immediately prior to the completion of the De-SPAC Transaction.



Notes:

(1) The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed. Accordingly, Shares held by the ESOP Proxy Grantors (other than Enlightning Limited) will be counted towards public float. For details, see the section headed "Relationship with the Single Largest Group of Shareholders of the Successor Company".

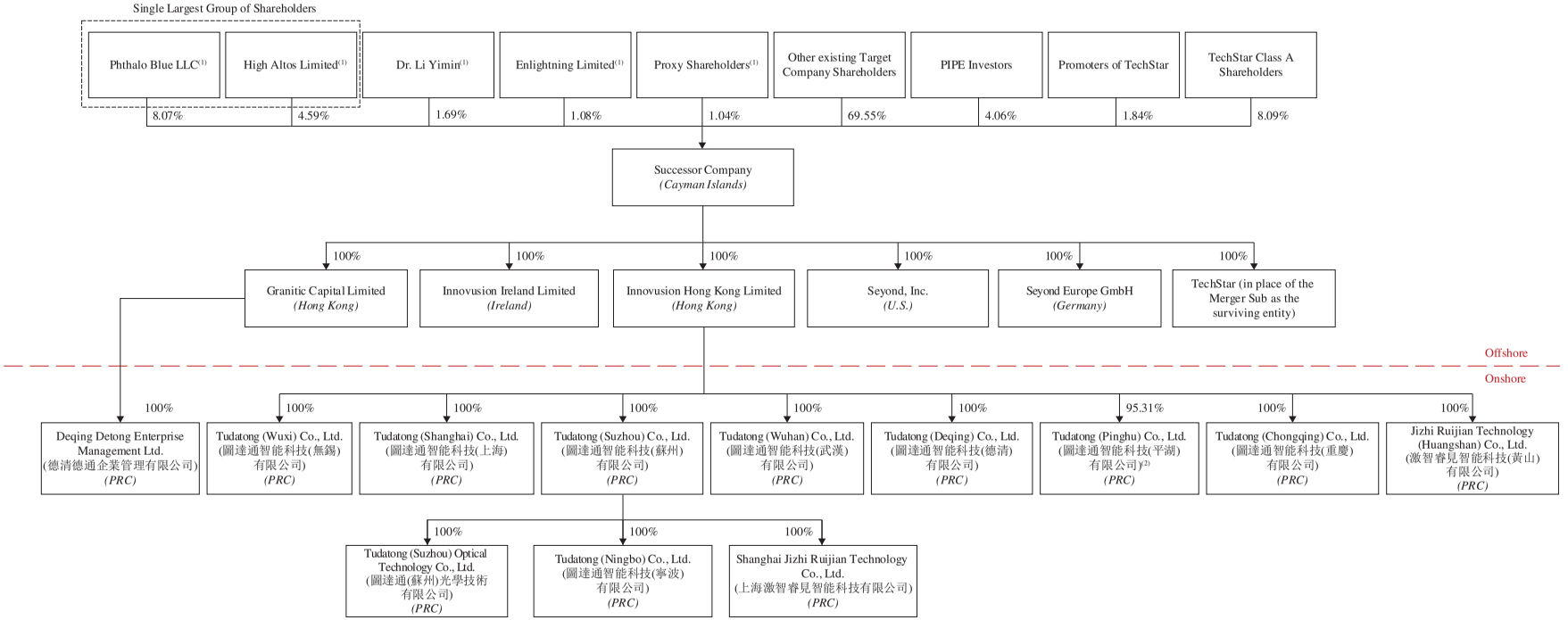
(2) Following the De-SPAC Transaction, the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company.

(3) High Altos Limited is wholly-owned by Dr. Bao who is also the manager of Phthalo Blue LLC, and Dr. Bao is considered to be in a position to control the composition of a majority of the board of the Target Company as he is entitled to cast six votes (out of a total of 11 votes from no more than six Directors of the Target Company (including Dr. Bao)) in the board of the Target Company based on the Target Company Articles. As such, High Altos Limited, Phthalo Blue LLC and Dr. Bao are considered to be a group of Controlling Shareholders of the Target Company as of the Latest Practicable Date.

(4) Tudatong (Pinghu) Co., Ltd. (圖達通智能科技(平湖)有限公司) is owned as to 4.69% by Fujian Hitronics Technologies, Inc.* (福建海創光電技術股份有限公司), an Independent Third Party.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE DE-SPAC TRANSACTION

The following chart sets forth the simplified corporate and shareholding structure immediately following completion of the De-SPAC Transaction, assuming the Presumptions.



Notes:

(1) Upon completion of the De-SPAC Transaction, the voting rights attached to the Successor Company Shares held by these shareholders of the Successor Company will not count towards the public float.

(2) Tudatong (Pinghu) Co., Ltd. (圖達通智能科技(平湖)有限公司) is owned as to 4.69% by Fujian Hitronics Technologies, Inc.* (福建海創光電技術股份有限公司), an Independent Third Party.

Unless the context otherwise requires, all references in this section to "we," "us" or "our" refer to Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group").

OVERVIEW

We are one of the key players in the design, development, and production of automotive-grade LiDAR solutions. In 2024, we delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth globally in terms of sales revenue of ADAS LiDAR solutions, according to CIC.

We believe that automotive-grade LiDARs featuring high image-grade resolution and long-detection range are essential for achieving mission-critical objectives and fulfilling the fundamental purpose of any LiDAR solution-enhancing safety and improving user experience. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt our LiDAR solutions on its nine models as of the Latest Practicable Date, which we believe is a strong testimony to the unique value proposition of our solutions.

We offer our LiDAR solutions for advanced driver assistance system ("ADAS") and other automotive and non-automotive application scenarios. The strong performance of our solutions, our success and leadership in commercialization and volume production, and our strong foothold in both China and the United States together distinguish us from others and position us well to continuously innovate and lead as the technology vanguard of human safety.

Around the globe, LiDARs are increasingly recognized as critical components for automotive applications as sensing hardware to enhance human safety. According to CIC, industry players in the automotive sector increasingly view automotive-grade LiDAR solutions as essential for enhancing safety and autonomy, with long-detection ranges and high resolutions identified as critical for achieving advanced safety and autonomy in ADAS and ADS. To be adopted in commercialized vehicles, LiDAR solutions need to meet the "automotive-grade" standards. Such standards are typically very stringent and require consistent and reliable level of high performance under varying temperatures, humidity, among other driving conditions, as well as near-zero failure rate and long lifecycles. In addition to meeting automotive-grade standards, the ability to achieve cost efficiency upon volume production supported by optimal technology architecture and engineering capabilities, is necessary for LiDARs to be widely adopted as a standard configuration of vehicles.

Dedicated to enhancing human safety with technology from day one and anticipating this emerging need for automotive-grade LiDARs, Dr. Bao and Dr. Li Yimin founded the Target Company in 2016 and started operations in the United States. We assembled a team of experts and scholars with deep technology, academic, and professional background in electronic engineering, optics, precision instruments and autonomous driving technologies. After evaluating various technology architectures in the market, we have strategically selected different wavelengths for applications under different scenarios. For example, we selected the short-wavelength infrared laser of 1,550 nanometers (nm) for ultra-long-range detection, and developed our dual-axis mirror scanning technology architecture, which we believe is the optimal technology architecture for front-view LiDARs. We unveiled our first ultra-long-range, image-grade LiDAR solution series, Cheetah, in 2018, and later launched the Falcon series in 2020. For long-range or wide-FOV detection, on the other hand, we have strategically selected the 905 nm system in our Robin series LiDAR solutions for urban low-to-medium speed front-and-side view application scenarios. In 2018, as our technological architecture and product design matured and became ready for commercialization, we decided to enter China to capture the emerging market opportunities, attract local talents, and build up our supply chain and manufacturing capabilities in China. Today, we have established a strong foothold in China and the United States, and are building up our global team to seize the opportunities and tap into the market for autonomous driving, smart transportation and other non-automotive application scenarios globally.

In light of their strong performance, our automotive-grade LiDARs can be widely applied in various automotive application scenarios as a critical and essential component of ADAS and ADS, which has a significant market opportunity. According to CIC, the global automotive-grade LiDAR solutions sales revenue has reached US$1.2 billion in 2024, and is expected to increase from US$2.2 billion in 2025 to US$32.1 billion in 2030, representing a CAGR of 70.4%. According to CIC, global shipments of smart passenger vehicles have reached 36.7 million units in 2024, and are expected to increase from 41.8 million units in 2025 to 67.0 million units in 2030, representing a CAGR of 9.9%. In conjunction with the growth in the scale of passenger vehicles, ADAS and ADS are rapidly gaining popularity with large-scale adoption of automotive-grade LiDAR solutions to enhance the performance of L2+ and above ADAS and ADS, and the global automotive-grade LiDAR solutions market for passenger vehicles is expected to reach US$29.7 billion in 2030, according to CIC.

The optimal technology architecture and strong performance of our solutions have led to our success in commercialization. During the Track Record Period, we delivered a total of over 533,000 units of automotive-grade LiDAR solutions to our customers. In addition, as of the Latest Practicable Date, we had obtained design-wins from fourteen OEMs and ADAS or ADS companies, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics. In addition, our LiDAR solutions have been

successfully incorporated and applied in various non-automotive application scenarios, including highway, metro and railways, and mining. We believe these collaborations further enhance our leadership position in the market and support our future growth. With the abovementioned partnership, we believe we have vaulted into the next stage of commercialization of our solutions by delivering more value and shoring up our cooperation with our business partners.

We have achieved significant success in the design, development and commercialization of our products. We are one of the first players with a commercialization track record in both automotive and non-automotive solutions, according to CIC. Capitalizing on the supply chain in China, we have created a supplier ecosystem, which enables and supports volume production of our LiDAR solutions. We have built up volume production facilities in Suzhou, Deqing and Pinghu, China, and retained effective control over key manufacturing and procurement processes leveraging our established supply chain, manufacturing, and commercialization experiences in China.

In addition to LiDAR sensor hardware, software also plays a critical role in ensuring high levels of safety and autonomy. Our self-developed software, OmniVidi, featuring high-resolution 3D point cloud and advanced perception algorithms, provides our customers with fully integrated LiDAR solutions in combination with our LiDAR hardware. Our integrated solution has been adopted and implemented by a number of our customers, such as a metro line operator, demonstrating our success in commercializing our solutions that combine hardware and software.

OUR COMPETITIVE STRENGTHS

Market and Growth Potentials for Automotive-Grade LiDAR Solutions

According to CIC, the addressable market for automotive-grade LiDAR solutions covers both ADAS and ADS applications. As of the Latest Practicable Date, automotive-grade standards have been achieved by LiDAR solutions designed for ADAS applications, while LiDAR solutions for ADS applications are gradually being upgraded to automotive-grade standards. Thus, our automotive-grade LiDAR solutions primarily serve the current global L2+ ADAS market, with the potential to also serve the global ADS market as technologies mature. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth. The application of LiDAR solutions is expected to experience significant growth in the next decade. According to CIC, the global LiDAR sales revenue has reached US$1.9 billion in 2024, and is expected to increase from US$3.5 billion in 2025 to US$41.3 billion by 2030, representing a CAGR of 63.7%. This is largely driven by the increasing needs and emphasis on safety enhancement with the increasing penetration of autonomous driving applications and the adoption of LiDAR solutions on vehicles with autonomous driving functions of L2+ or above by a vast majority of automotive OEMs globally. In particular, automotive-grade LiDAR solutions with a long-detection range and high resolution is a critical component for smart vehicles with autonomous driving functions of L2+ and above. In addition, the expected

volume production of automotive-grade LiDAR solutions is expected to lead to further cost effectiveness, according to CIC. These all serve to create enormous market opportunities which we are well positioned to capture as the leader and standard-setter of the industry.

Achievements in Product Commercialization

We initiated volume production and delivery of our LiDAR solutions in 2022. As of the Latest Practicable Date, NIO has adopted our LiDAR solutions across nine of its models. Our partnership with NIO is a strong endorsement not only of the enhanced safety features and automotive-grade reliable performance enabled by our robust technology architecture, but also our on-the-ground execution capabilities. With deliveries beginning in March 2022, we are the world's first provider of automotive-grade LiDAR solutions to achieve volume production, according to CIC. In August 2022, we became the first company worldwide to deliver a cumulative of 10,000 units of automotive-grade LiDAR solutions, according to CIC. In 2024, we delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to the same source.

Optimized and Flexible Technology Architecture

We have strategically selected both 1,550 nm and 905 nm system as the wavelength for LiDARs under different application scenarios. We selected the short-wavelength infrared laser of 1,550 nm system as the wavelength for ultra-long-range detection, and developed our dual-axis mirror scanning technology architecture, which we believe is the optimal technology architecture for front-view LiDARs. We unveiled our first ultra-long-range, image-grade LiDAR solution series, Cheetah, in 2018, and later launched the Falcon series in 2020. For long-range or wide-FOV detection, we have strategically selected the 905 nm system in our Robin series LiDAR solutions as the wavelength for mid-range detection application scenarios, such as side-view and low-speed application scenarios. Such 905 nm LiDARs feature light weight, compact size and low power consumption. Our flexible technology architecture allows us to easily fit our solutions onto different models and machinery configurations. Backed by our product design and technology architecture, our LiDAR solutions can meet automotive-grade standards with consistent and reliable performance, while enabling volume production. Our optimized and flexible technology architecture allows us to develop products that address a variety of automotive application scenarios.

Market Player with Strong Performance

Lying at the foundation of the success of our LiDARs is their detection range, FOV, resolution, accuracy and system efficiency, which contribute to enhanced levels of safety and autonomy. For example, the long-detection range of our LiDAR solutions allows for a longer braking distance, which gives drivers or autonomous driving systems more time to react; the high-detection resolution allows vehicles to more accurately detect, recognize and understand complex information from its surroundings. In particular, our LiDAR solutions can achieve a 250-meter effective detection range for 10% reflectivity targets, with a maximum detection

range of 500 meters and an FOV of 120 degree × 25 degree, which we believe is the level of detection range necessary to support L2+ and above ADAS and ADS functions, as evidenced by the configuration requirements in an increasing number of RFPs from global automotive OEMs in recent years. Our LiDAR solutions also feature high detection resolution, with the highest resolution of 0.05 degrees and are able to maintain a high performance level in inclement weather. The combination of long-detection range, superior image quality and high-detection resolution is critical in satisfying the object-detection needs of L2+ and above vehicle safety for ADAS and ADS functions.

Growing Customer Base for Automotive-Grade LiDAR Solutions

We have established relationships with suppliers, gone through automotive-grade verification and designed an optimized manufacturing process, which evidenced our success of commercialization and volume production. Leveraging such established relationships and our proven track record, we believe we are well positioned to win orders from OEMs. During the Track Record Period, we delivered a total of over 533,000 units of automotive-grade LiDAR solutions to our customers. In addition, as of the Latest Practicable Date, we had obtained design-wins from fourteen OEMs and ADAS or ADS companies in China focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics. We believe these collaborations further enhance our leadership position in the market and support our future growth. In light of the above commercialization success on volume production, delivery, design-wins and cooperations, we believe we have promising financial prospects in terms of our long-term and short-term capabilities to generate and increase our revenue from sales of our LiDAR solutions for both our automotive and non-automotive application scenarios.

Volume Production Capabilities

Utilizing our experience and know-how, we have completed the construction of an in-house manufacturing facility in Suzhou, China to support volume production of our automotive LiDARs. We enjoy tremendous synergies in know-how and experience accumulated through volume production of our automotive-grade products, which in turn, enable us to form unique competitive advantages in cost efficiency of our non-automotive solutions. Meanwhile, we have also established an in-house engineering and volume production team, which is dedicated to ensuring product quality. We have also leased new facilities in Deqing and Pinghu, China, which began mass production in February and July 2024, respectively. With these manufacturing facilities, our aggregate production capacities in China have reached approximately 750,000 units per year as of May 31, 2025.

Supply Chain Management on Quality and Cost Control

Our supply management team has developed deep insights and acute business acumen to capture the latest development trends in the global market. We have established close strategic relationships with our suppliers to ensure both the quality and timeliness of key components. Some of our suppliers are also our shareholders, which enable them to share in our success and incentivize them to provide us with high quality and tailored materials. We source from suppliers in a variety of markets, which makes us more resilient to the changes of global supply chain especially in the post pandemic market. To further ensure our product manufacturing and on-time delivery, we have back-up suppliers for a majority of our key components, including galvanometers, polygon motors and detector devices. Our strong supply chain management, especially our dual-supplier system, has driven and is expected to continue to drive cost reduction in our key raw materials.

Visionary Leadership and Robust R&D Capabilities

Our co-founders, Dr. Bao and Dr. Li Yimin, founded the Target Company with the mission to empower safe and smart living. In order to develop automotive-grade sensing hardware meeting the needs of ADAS and ADS functions and safety enhancement applications, we have assembled a team of R&D scientists and experts who have brought a wide range of academic and industry skills and know-how and enabled the success of our solutions. We have established dual R&D and testing centers in Sunnyvale, the United States and Suzhou, China and enjoyed the access to a vast pool of talent in both countries. We have also obtained intellectual properties rights or pending patent applications in a variety of jurisdictions worldwide, which further showcase our R&D capabilities.

OUR GROWTH STRATEGIES

Strengthen Partnerships with OEMs and ADAS or ADS Companies

To further expand the scale of our business operations and improve sales of our automotive-grade LiDAR solutions, we are currently in the final running for engagement with several OEMs and other customers worldwide, with potential volume production expected in the coming years. We plan to build on the success that allowed us to secure design-wins from other OEMs and ADAS or ADS companies by allocating resources to support the timely ramp-up of production, customization, and delivery to meet desired use cases of potential customers. We intend to further improve and utilize the strong performance of our LiDAR solutions, our competitive advantages over our peers, our volume production capabilities, our customer support capabilities, and our ability to offer customized solutions to meet customers' specific needs. We also plan to fully utilize and expand our sales and marketing teams to maintain and develop relationships with an increasing number of OEMs and tier-one companies that are contemplating ADAS or ADS for new or existing models.

We plan to continue our investments in technology to upgrade new LiDAR architectures, devices, and software, as well as team expansion for supporting research and development initiatives. We will continue to optimize our product design, such as reducing the weight and the size of the products, raising the quality of the end product, optimizing the structure, reducing the number of components, eliminating additional processes and further expanding application scenarios of our LiDAR solutions, which we believe will reduce product cost and improve gross margin.

Continuously Invest in Research and Development and Broaden Portfolio of Automotive-Grade LiDAR Solutions

We are further developing our 1,550 nm systems, aiming to optimize our product design, improve technology infrastructure, reduce the cost, raise the quality of our end products, and further expand application scenarios of Falcon series LiDAR solutions. In early 2022, we introduced the 905 nm laser-based LiDAR Robin series LiDAR solution. The Robin series enjoys advantages in terms of compact size, light weight, low power consumption and low cost structure. We intend to allocate resources to further advance Robin and Falcon series LiDAR solutions, particularly for applications in cost-sensitive L2+ passenger EVs and commercial logistics vehicles, to meet the evolving requirements of recently awarded and prospective customers. Specifically, our R&D projects focus on the miniature of Falcon LiDAR while doubling the performance using more compact fiber laser, more sensitive InGaAs APD and quieter motor. We will continue advancing performance of Robin LiDAR through employment of more powerful VCSEL laser and highly compact detector array. In addition, we plan to implement more cost-sensitive design throughout all product lines, including investing heavily on beam steering technology, more impact resistant and weather proof optical window, stray light compression, low cost and lightweight materials.

Optimize Production Costs through Supply Chain and Process Efficiency

We believe it is critical to control the costs of our LiDAR solutions in order to offer more attractive pricing to our customers and increase adoption of our LiDAR solutions in both automotive and non-automotive application scenarios. To that end, we intend to expand our self-operated manufacturing facilities, upgrade our existing production lines and expand our existing manufacturing capabilities in order to enhance production efficiency, reduce unit cost and achieve greater economies of scale. We take advantage of the synergies between research and development activities across automotive and non-automotive LiDAR hardware products, which enjoy similar technological attributes in many aspects. For example, we have launched a new non-automotive LiDAR hardware series which is largely similar in hardware design to our automotive LiDAR hardware, leading to significant savings in production costs. We also plan to work more closely with our suppliers and partners in order to take advantage of their established supply chain network and their know-how in manufacturing and product customization, and optimize our manufacturing process. Looking ahead, we intend to support continued localization of critical components, in-house module development, and automation

upgrades across our manufacturing facilities in Pinghu and Deqing. These measures are expected to further reduce the BOM cost of our Falcon series LiDAR solutions. These improvements will contribute to our goal of achieving positive gross profit and supporting long-term profitability.

Enhance Global Presence

We have established sales teams worldwide, including China, the United States and Germany. As we expand our business scale, we plan to set up localized sales and marketing teams in more regions around the world in order to expand and deepen our relationships with more suppliers, customers, and business partners globally. We also intend to expand our R&D centers and manufacturing facilities globally in order to attract local technical talent and optimize our supply chain management and manufacturing capacity, which we believe are critical to support our global expansion. We plan to adopt a flexible and opportunity-driven approach that takes into account global macroeconomic conditions, evolving industry dynamics, customer demand, and our internal resources. As part of this strategy, we will evaluate potential overseas opportunities as they arise and may prioritize those that align with our product strengths and commercialization roadmap.

Expand Non-Automotive LiDAR Solutions Portfolio

We plan to further develop and commercialize our business non-automotive LiDAR solutions, leveraging the advantages in performance, cost efficiency, reliability, and capacity of our current LiDAR solution offerings. We plan to adapt our technological capabilities for applications of LiDAR solutions in perimeter security scenarios and low-altitude economy. These application scenarios share similar functional requirements with automotive LiDAR use cases, allowing us to optimize development and production resources. We believe that diversifying into these sectors will allow us to expand our customer base, improve capacity utilization of our production lines, and reduce dependency on the automotive industry cycle.

Invest in Software Iteration and Upgrades

We intend to further invest in our software capabilities, including our OmniVidi platform, in order to improve the compatibility, flexibility and analytical capabilities of our software, serving more smart transportation application scenarios and enhancing processing of various use cases. In addition, we also plan to develop software for our automotive customers to be applied in their ADAS or ADS. We believe these software investments will enhance the value proposition of our LiDAR hardware, improve customer stickiness, and enable differentiated applications of our solutions.

BUSINESS SUSTAINABILITY

We achieved sustained business growth but were loss-making during the Track Record Period. Our gross loss amounted to US$41.3 million, US$42.4 million, US$13.9 million and US$14.3 million in 2022, 2023, 2024 and the five months ended May 31, 2024, respectively. In the five months ended May 31, 2025, we recorded a gross profit of US$6.7 million. The following table sets forth certain financial data for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	(US$ in thousands)				
				(unaudited)	
Revenue	66,302	121,108	159,575	51,550	51,965
Gross (loss)/profit	(41,321)	(42,359)	(13,906)	(14,331)	6,714
Loss for the year/period	(188,165)	(218,970)	(398,195)	(74,291)	(21,494)
Gross (loss) profit margin	(62.3)%	(35.0)%	(8.7)%	(27.8)%	12.9%

Our automotive-grade LiDAR solutions primarily serve the current global L2+ ADAS market, with the potential to also serve the global ADS market as technologies mature. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth. The application of LiDAR solutions is expected to experience significant growth in the next decade. According to CIC, the global LiDAR sales revenue has reached US$1.9 billion in 2024, and is expected to increase from US$3.5 billion in 2025 to US$41.3 billion by 2030, representing a CAGR of 63.7%.

We initiated volume production and delivery of our LiDAR solutions in 2022. As of the Latest Practicable Date, NIO has adopted our LiDAR solutions across nine of its models. In addition, as of the Latest Practicable Date, we had obtained design-wins from another thirteen OEMs and ADAS or ADS companies, focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We had achieved strong revenue growth during the Track Record Period, from US$66.3 million in 2022 to US$121.1 million in 2023, and from US$121.1 million in 2023 to US$159.6 million in 2024. We experienced an increase in total revenue from US$51.6 million in the five months ended May 31, 2024 to US$52.0 million in the same period in 2025. See "Financial Information of the Target Group — Discussion of Results of Operations" for details. However, we expect our sales volume and revenue to grow in a long-term as we launch more products and attract more customers. For example, our Robin E1X solution has been selected for adoption by several Chinese passenger EV manufacturers as the main LiDAR for certain models, demonstrating our strong potential to further penetrate into OEMs and other ADAS and ADS companies.

Analysis on Historical Losses and Operating Cash Outflows During the Track Record Period

However, our growth in revenue has not been able to fully cover the various costs and expenses incurred. In 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, we recorded losses of US$188.2 million, US$219.0 million, US$398.2 million, US$74.3 million and US$21.5 million respectively. The significant net losses were partially attributable to non-cash items including fair value changes in financial instruments issued to investors and share-based compensation. After elimination of the effects of certain non-cash and non-recurring items, in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, we recorded adjusted losses (non-IFRS measure) of US$143.0 million, US$137.2 million, US$82.9 million, US$50.8 million and US$18.7 million, respectively. Our adjusted losses (non-IFRS measure) during the Track Record Period were primarily because we recorded significant gross losses and R&D expenses during the Track Record Period, due to the following reasons:

- *Operation in an emerging market*. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is still at its early stage of development. In particular, the penetration rate of LiDAR solutions in automotive industry was still low, which was only 2.5% in 2024, according to CIC. Moreover, unlike the relatively more mature 905 nm LiDAR segment, which is characterized by higher competition and broader adoption among low-to-mid-tier models, the high-end 1,550 nm LiDAR market that we primarily operate in remains nascent, with fewer players and more specialized applications. As a first mover in this segment, we incurred significant upfront research and development expenses to design and scale our solutions, resulting in a longer ramp-up period before achieving profitability. To further reinforce our presence and competitiveness in the emerging market, we have devoted significant resources on R&D and product development to ensure we are poised for long-term competitiveness.

- *Early-Stage Development of Innovative Products*. Our Falcon series adopts a 1,550 nm laser-based system that offers strong performance compared to the more commonly used 905 nm laser-based LiDAR solutions. As a result, the cost of the Falcon series is significantly higher than that of 905 nm alternatives. However, given the importance of market acceptance in pricing, we intend to offer competitive pricing to potential customers in order to effectively compete with 905 nm LiDAR solutions. At the same time, both the Falcon series and its supply chain remain in the early stages of development, and current production costs remain relatively high. Most of our revenue during the Track Record Period came from the Falcon series, which was generating a gross loss until the fourth quarter of 2024 after reaching volume production in 2022. However, the gross margin of Falcon series has been improving steadily, increasing from negative 64.6% in 2022 to negative 36.2% in 2023 and further to negative 8.7% in 2024. The Falcon series achieved a positive gross margin for the first time in the fourth quarter of 2024 after reaching volume production. It achieved gross profit margin of 16.3% in the first five months of 2025, and is expected to remain positive moving forward as per-unit production costs continue to decrease.

- *Continued investment in R&D and product development*. We continue to invest in the R&D of new products and autonomous driving technologies. We invested in the R&D of both 1,550 nm and 905 nm laser-based LiDAR solutions during the Track Record Period. In 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, we incurred R&D expenses of US$78.1 million, US$63.8 million, US$37.0 million, US$20.9 million and US$13.7 million, accounting for 117.8%, 52.7%, 23.2%, 40.5% and 26.3% of our revenue in the same periods, respectively. Our continuing investments in the R&D led to our volume production of the 1,550 nm laser-based LiDAR Falcon series and the development of the 905 nm laser-based LiDAR Robin series.

- *Innovative product supply chain establishment*. The nascent nature of the LiDAR market means that a stable and optimized supply chain for raw materials and components is still under development. Due to the limited number of suppliers and the need for customized components, the early supply chain for 1,550 nm LiDAR was underdeveloped, leading to elevated BOM costs and production inefficiencies. We have allocated significant resources to establish and strengthen our supply chain network, ensuring reliable access to high-quality components while addressing challenges such as supplier capacity constraints and cost fluctuations. These efforts, although essential for the long-term viability of our business, have contributed to the losses during the Track Record Period.

We have also experienced net operating cash outflows during the Track Record Period. We recorded net cash used in operating activities of US$108.2 million, US$133.1 million, US$46.5 million, US$49.3 million and US$24.4 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively. These cash outflows are primarily attributable to the losses we have incurred during the Track Record Period. We recorded a gross loss and incurred substantial R&D expenses and upfront costs when designing and scaling up our solutions, which was in line with our early stage of development.

We aim to maintain sustainability and achieve profitability in the future through: (i) continuously growing revenue and expanding sales volume; (ii) actively reducing cost of sales; and (iii) enhancing operating efficiency. With our improved profitability, we also expect our operating cash flow to improve concurrently. To improve our net loss position, we have taken several concrete steps. We achieved positive gross margin in the fourth quarter of 2024 and expect to maintain this trajectory in the full year 2025, with further improvement in the following years. We are also actively expanding beyond our anchor customer into broader automotive and non-automotive markets, including other OEMs, ADAS platforms, and sectors such as smart cities and autonomous delivery. Additionally, we have implemented cost control measures through product design optimization and broader supply chain localization.

Continuously Growing Revenue and Sales Volume

We have achieved a steady growth in revenue and sales volume in 2022, 2023 and 2024 and from the five months ended May 31, 2024 to the five months ended May 31, 2025. We expect that our revenue and sales volume growth will be driven by the following factors:

- *Favorable market trend.* The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth. This is largely driven by the increasing needs and emphasis on safety enhancement with the increasing penetration of ADAS and the adoption of LiDAR solutions on vehicles with autonomous driving functions of L2+ or above by a vast majority of automotive OEMs globally. The application of LiDAR solutions is expected to experience significant growth in the next decade. According to CIC, the global LiDAR sales revenue has reached US$1.9 billion in 2024, and is expected to increase from US$3.5 billion in 2025 to US$41.3 billion by 2030, representing a CAGR of 63.7%. We believe we are well positioned to fully capture the market potential and achieve sustainable significant growth in the future.

- *Improved solution and product offerings.* We launched the Falcon series, Robin Series and the Jaguar series, and we intend to further develop our existing and potentially other product offerings to build a broader automotive-grade LiDAR solution portfolio. We plan to leverage our investments in research and development to further enhance our product offerings, ensuring they remain at the forefront of innovation and aligned with market demand. By building on our existing technological capabilities, we aim to introduce improvements that not only strengthen the competitiveness of our current products but also expand our portfolio to address new market opportunities. We will continue to upgrade and iterate on our existing 1,550 nm LiDAR solutions to optimize product design, enhance technological infrastructure, improve end-product quality, and expand their application scenarios. In addition, according to CIC, the global market size for automotive 905 nm LiDAR solutions reached US$1.0 billion in 2024 and is projected to grow from US$1.8 billion in 2025 to US$26.4 billion by 2030, representing a CAGR of 70.2% during the period. We achieved volume production of our 905 nm LiDAR solutions, the Robin series, in 2024 and plan to further develop and commercialize these solutions to meet evolving market trends and address the needs of a broader range of potential customers, thereby expanding our portfolio of automotive-grade LiDAR offerings. These efforts are expected to drive increased revenue and sales volume, supporting sustainable growth.

- *Customer retention and expansion*. We expect to deepen our relationships with existing customers and expand our customer base in terms of breadth and depth. During the Track Record Period, we delivered a total of over 533,000 units of automotive-grade LiDAR solutions to our customers. In addition, as of the Latest Practicable Date, we had obtained design-wins from fourteen OEMs and ADAS or ADS companies, including focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. These design-wins indicate that our LiDAR solutions have been selected to be integrated into the products or systems of these customers. NIO-branded vehicle models were designed in part based on the data range and depth accuracy provided by our LiDAR solutions, which come as standard configuration in all vehicle models of NIO's NT 2.0 platform. Our solutions have also been selected for standard configuration in NIO's NT 3.0 platform based NIO-branded vehicle models, which we began the volume production in 2025. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics.

- *Expand into new geographic markets.* We aim to extend our reach beyond markets in China and bring our solutions to enable global partners. We are currently in various stages of cooperation with several companies in the U.S., Europe and Asia to conduct testing, and explore the potential to adopt our automotive-grade LiDAR solutions on their respective products; in particular, we are in the final running for engagement with many OEMs and other customers worldwide, with potential volume production expected in the coming years. We plan to enhance our global business development and sales and marketing efforts by expanding localized teams in overseas markets and hiring experienced personnel. These initiatives aim to strengthen our relationships with OEMs worldwide.

- *Introduce non-automotive solutions meeting the surging demand for in a wide variety of application scenarios.* According to CIC, with technological development and safety demands, the market size of global non-automotive LiDAR solutions is expected to expand rapidly from US$1,273.6 million in 2025 to US$9,158.0 million in 2030, representing a CAGR of 48.4% during 2025 and 2030. We have devoted efforts in the non-automotive LiDAR solutions market including smart transportation, smart railways, industrial safety and automation and V2X. We are one of the first players with a commercialization track record in both automotive and non-automotive solutions, according to CIC. We plan to introduce non-automotive solutions with more advanced technologies in a wide variety of application

scenarios, which we believe allow us to charge a higher price and can further boost our revenue growth. Some examples of these application scenarios and their corresponding R&D initiatives are outlined below:

- Autonomous service vehicles, including logistics robots, cleaning vehicles, and forklifts: we are promoting Robin W as the key product in this segment and are developing a fully solid-state Flash LiDAR designed to achieve slightly lower ranging capability than semi-solid-state solutions, while offering a wider field of view, lower cost, and enhanced reliability. We have engaged in business communications at different stages with more than 10 interested clients, from the negotiation of key contractual terms to the provision of our Robin W LiDAR solutions. Based on our current production plan, we expect to achieve volume shipments to clients in this sector in the second quarter of 2026.

- Robotics and semi-robotic applications, including lawn mowers, pool-cleaning robots, and future humanoid robots: we are optimizing LiDAR performance by addressing blind spots, layering errors, motion distortion, and small-object detection. We are also considering solid-state Flash LiDAR for broader application in this segment to meet cost, field-of-view, and reliability targets where moderate ranging is sufficient. We have contacted and reached a supply agreement with an industry leader, which planned to roll out on a small scale in the fourth quarter of 2025 products that integrate our Robin W LiDAR solutions. Based on our current production plan, we expect to achieve volume shipments to clients in this sector in the second quarter of 2026.

- Port and maritime use cases, including lock gate monitoring, bridge collision avoidance, floating service zones, and onboard vessel applications: we are developing Falcon K3, an upgrade over Falcon K2, targeting a detection range of 300 meters or more at 10% reflectivity and 90% probability of detection. At the same time, we are enhancing our proprietary SIMPL perception platform to support water-based environments and enable efficient deployment across diverse maritime use cases. Our LiDAR solutions have already been successfully deployed by multiple clients across the Yangtze and Pearl River basins. By the end of 2025, we expect to deliver more than a total of 1,000 models in the areas of lock gate monitoring, bridge collision avoidance, floating service zones, and on-board vessel applications.

- Transportation infrastructure, including railway systems and airports: building on our product development for maritime scenarios, we are also advancing the application of our SIMPL platform in urban traffic settings. By supporting communication protocols such as Serial Data Link Communication (SDLC) and National Transportation Communications for Intelligent Transportation System Protocol (NTCIP), our SIMPL platform enables integration with traffic signal systems and contributes to improved intersection efficiency in overseas

markets. Our LiDAR solutions have been and will be deployed on over 15 major fully automated metro lines, serving core cities such as Beijing, Shanghai, Shenzhen, Chongqing, Hangzhou, Suzhou, Ningbo, and Tianjin.

We intend to use the net proceeds from the De-SPAC Transaction to grow our revenue. For details, see "Future Plans and Use of Proceeds."

Reducing Cost of Sales

Our cost of sales amounted to US$107.6 million, US$163.5 million, US$173.5 million, US$65.9 million and US$45.3 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, accounting for 162.3%, 135.0%, 108.7%, 127.8% and 87.1% of our revenue in the same periods, respectively. We believe we are able to reduce cost of sales due to the following factors:

- *Optimization of product design.* Through the development of high-performance LiDAR products, we have accumulated know-how in R&D, commercialization and production of LiDAR solutions, which in turn will further strengthen our competitiveness in the industry. We continue to optimize our product design, such as reducing the weight and the size of the products, raising the quality of the end product, optimizing the structure, reducing the number of components, and eliminating additional processes, which we believe will cut product cost and improve gross margin. As a result of our continuous efforts, the cost of our LiDAR solutions significantly decreased during the Track Record Period and is expected to decline further in the coming years.

- *Well-established supply chain.* Driven by favorable industry trends and the growing adoption of LiDAR technology, the supply chain for raw materials and components is expected to become increasingly stable and well-established. During the Track Record Period, we allocated significant resources to establish a dual-supplier system, under which we aim to secure supply relationships with at least two suppliers for each critical raw material and component used in manufacturing. This initiative enhances the stability of our supply chain and strengthens our negotiating power, both of which are essential to effective procurement cost control. We intend to continue investing substantial resources to further strengthen our supply chain network, including forming strategic partnerships with key suppliers to ensure stable access to high-quality components.

- *Realization of economies of scale.* As production volumes increase, we expect to realize greater economies of scale, which will significantly enhance cost efficiency across our operations. Higher production volumes allow for the optimization of manufacturing processes, better utilization of fixed costs, and improved procurement efficiency through bulk purchasing of raw materials and components. These efficiencies are anticipated to contribute to lower per-unit production costs, improved margins, and overall operational scalability. We also intend to improve our production capabilities and level of automation of our production lines. While such investments may result in an increase in our capital expenditure in the short term, they will simplify and streamline our production process and improve cost efficiency, and in turn improve our profitability.

Improving Gross Profit

During the Track Record Period, we consistently optimized our product design to reduce production costs and strengthened our supply chain to better control procurement expenses. As a result of these ongoing efforts, the cost of our LiDAR solutions decreased significantly over the Track Record Period. We recorded gross losses of US$41.3 million, US$42.4 million, US$13.9 million, US$14.3 million and a gross profit of US$6.7 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, demonstrating a trend of narrowing gross losses. We achieved positive gross margin in the fourth quarter of 2024 and maintained our gross profit position in the first five months of 2025. This milestone serves as compelling evidence of the effectiveness of our strategies and marks a significant step toward sustainable growth and profitability. Our product costs are expected to further decline in the future years and we are expected to maintain our positive gross margin in 2025, with further improvement in the following years.

Enhancing Operational Efficiency

During the Track Record Period, we dedicated significant resources to R&D and in developing our R&D capabilities to launch new products, optimize and upgrade our existing products, and maintain our market leading position. We incurred R&D expenses of US$78.1 million, US$63.8 million, US$37.0 million, US$20.9 million and US$13.7 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, accounting for 117.8%, 52.7%, 23.2%, 40.5% and 26.3% of our revenue in the same periods, respectively. The early-stage R&D process has been substantially completed, as evidenced by the fact that research and development costs as a percentage of revenue have begun to decline. Our Falcon series and Robin series entered volume production their phases in 2022 and 2024, respectively, and will reach maturation in the coming years. Our R&D expenses in absolute amounts may increase alongside the development of our autonomous driving technologies and the expansion of our product portfolio in future; however, we expect that our R&D expenses (excluding share-based payments) as a percentage of revenue will gradually decline in the long term, along with the maturity of our product mix.

Our administrative expenses amounted to US$15.2 million, US$18.3 million, US$21.4 million, US$10.8 million and US$7.6 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, accounting for 23.0%, 15.1%, 13.4%, 21.0% and 14.6% of our revenue in the same periods, respectively. From 2022 to 2023 and further to 2024, as well as from the five months ended May 31, 2024 to the same period in 2025, our administrative expenses decreased as a percentage of our revenue, primarily due to the significant increase in our revenue and the benefit from economies of scale as a result of our business expansion. We expect our administrative expenses in the absolute amount to increase alongside our business expansion in the future, but our administrative expenses (excluding share-based payments and listing expenses) as a percentage of revenue may gradually decline in the long term.

Our selling and marketing expenses amounted to US$6.9 million, US$9.2 million, US$8.2 million, US$3.9 million and US$3.8 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, accounting for 10.4%, 7.6%, 5.1%, 7.7% and 7.2% of our revenue in the same periods, respectively. During the Track Record Period, our selling expenses as a percentage of revenue remained at a relatively low level. We expect our selling expenses in the absolute amount to increase alongside our business and service network expansion in the future. We expect our selling expenses (excluding share-based payments) as a percentage of revenue may gradually decline in the long term.

To enhance operating efficiency, we will implement targeted initiatives across R&D, sales and marketing, and general and administrative functions. In R&D, we aim to streamline project management processes, focus on high-impact innovation, and leverage advanced tools to accelerate product development and optimize resource allocation. For sales and marketing, we will strengthen key account management, deepen partnerships with OEMs and tier-1 ADAS or ADS companies, and tailor marketing efforts to emphasize our value proposition. Additionally, we will utilize data analytics and industry events to refine strategies, generate high-quality marketing campaign, and expand market reach. In general and administrative operations, we will automate routine tasks, optimize organizational structures, and implement performance monitoring tools to enhance productivity while reducing costs. Collectively, these measures are designed to drive operational scalability, improve margins, and support sustainable growth.

The strategic initiatives outlined above are supported by our intended use of proceeds. We plan to allocate funding toward the continued development and commercialization of our LiDAR product platforms, including enhancements to our 1,550 nm Falcon series and expansion of the 905 nm Robin series to meet diversified customer requirements. We also intend to upgrade and automate our production lines in Pinghu and Deqing to improve cost efficiency, production scalability, and support delivery for both automotive and non-automotive applications. In addition, we plan to expand our global business development capabilities by strengthening localized sales and R&D teams in overseas markets. Together, these initiatives are intended to enhance our profitability, improve operational scalability, and strengthen our ability to address market demand across different geographies and application scenarios.

The Directors believe that our business model remains sustainable despite customer concentration on NIO and product concentration on the Falcon series. Our relationship with NIO is built on mutual collaboration and technological innovation, providing a stable revenue base and demonstrating our competitiveness in the automotive industry. According to CIC, such reliance on a key customer is consistent with industry norms for early-stage companies, which often focus on major customers to establish market credibility and stable revenue streams before diversifying, especially in the 1,550 nm LiDAR solutions market that we primarily operate in, as the number of OEMs and other market players incorporating these solutions is still relatively limited compared to 905 nm LiDAR solutions. Additionally, we have implemented robust risk mitigation measures and successfully secured many other customers and design wins, demonstrating our commitment to reducing reliance on any single customer and strengthening our market position. For details, see " – Our Relationship with NIO." Moreover, our sustained investment in R&D has strengthened our technological capabilities, enabling us to enhance the performance and competitiveness of our existing products while positioning us to capitalize on future market opportunities. These factors collectively reinforce our confidence in the sustainability of our business model.

OUR TECHNOLOGY ARCHITECTURE

LiDARs use laser beam scanning to formulate three-dimensional information on the detection targets, such as their relative position and shape. As automobiles become smarter (advancing to L2+ and above ADAS and ADS levels), vehicles are responsible for an increasing number of driving activities, which call for detection tools that can perceive and detect objects from afar at high resolutions with high accuracy, similar or even superior in performance to human eyes. The enhanced depth accuracy of LiDARs effectively supplements camera and radar, which is important for L2+ autonomous driving. Moreover, LiDARs by its technical nature do not capture personal data and license plate information, which make LiDARs a more suitable choice in many scenarios where protection of data privacy is important.

We believe that our differentiated technology architecture lies at the foundation of and is indispensable to the strong performance of our LiDAR solutions. Our technology architecture is designed to accommodate LiDAR solutions for application in different scenarios. It can detect objects up to 250 meters away even if they are not very reflective, i.e. with a reflectivity of only 10%. It also works well in slower-speed areas, such as performing mid-range detection in low- to medium-speed area. We also believe that the semi-solid state scanning mechanism that we adopt is a highly mature scanning solution, providing high technical performance at a low cost.

Based on the varying and developing market needs, we have built in sufficient flexibility in selecting different technologies regarding vertical and horizontal scanning resolution. Our architecture also allows for sufficient technological extendibility.

Laser System and Wavelength

We selected the short-wavelength infrared laser of a 1,550 nm system as the wavelength for high-speed driving scenarios which require ultra-long-range detection, and developed our dual-axis mirror scanning technology architecture. The 1,550 nm system supports a longer detection range of 250 meters for 10% reflectivity targets (range is also extendable to future generations). We are continuously refining our hardware platform and have identified a clear technical path to further reduce cost, size and power consumption, approaching the levels of 905 nm system without compromising the strong performance of our 1,550 nm system.

In addition to our capabilities in developing 1,550 nm system, we also developed capabilities in 905 nm system for other low- to medium-speed driving scenarios that require medium detection range and wide-angle surround views. In early 2022, we introduced the 905 nm laser-based LiDAR Robin series LiDAR solution. The Robin series enjoys advantages in terms of compact size, light weight, low power consumption and low cost structure. Robin W can function as an ancillary LiDAR to work together with our main LiDAR Falcon in achieving 360 degree coverage of vehicle's surroundings, including blind spot detection. Robin E1X can function as an main LiDAR for low- to medium-speed driving scenarios that require medium detection range and wide-angle surround views.

Scanning and Detection Mechanism

We adopt the semi-solid state scanning mechanism, which we believe delivers better performance than other scanning mechanism, including traditional spinner scanning and solid state scanning. Compared to traditional mechanical scanners, semi-solid state scanners can achieve compact dimension, higher resolution and enhanced reliability for specific application scenarios, which are attributes necessary to achieve automotive-grade standards. Compared to the solid-state method, semi-solid state scanning technology is more mature and achieves better performance.

Among semi-solid state scanning technologies, we adopt the dual-axis mirror scanner for our 1,550 nm system and single-axis mirror scanners for our 905 nm system, over micro-electromechanical systems (MEMS), because we believe LiDARs that adopt dual-axis mirror scanning technologies lead to high performance, and have a longer lifetime and higher reliability compared to MEMS. In addition, compared to other scanning mechanism, such as MEMS, the supply chain of scanning mirrors under our scanning mechanism is more established, thus making it easier for us to secure stable and quality supply for volume production of our LiDAR solutions.

We also adopt the Avalanche Photodiode detection (APD) mechanism in 1,550 nm system while pursuing silicon photomultiplier (SiPM) and single-photon avalanche diode (SPAD) approaches for 905 nm system, which linearly converts optical signals into electronic signals.

SiPM technology achieved significant breakthrough, which enabled higher precision for the point cloud images generated by 905 nm LiDARs. Development in SiPM technology also enabled us to focus on development and commercialization of 905 nm LiDAR solutions in addition to 1,550 nm products.

Software Capabilities

LiDAR software cooperates with sensor hardware to process raw information detected and converts such information into three-dimensional point clouds. It can be further extended with perception algorithms to generate object lists, which is the first step of ADS algorithms.

We believe software capabilities are becoming more important for players in the LiDAR solutions market because, as a LiDAR company, we may take advantage of raw data as well as the characteristics of our LiDAR solutions to achieve co-optimization between our LiDAR hardware and software.

OUR SOLUTIONS

Our LiDAR solutions encompass two key components: our various series of LiDAR sensor hardware and our OmniVidi software, which extends the appropriate functioning of our LiDAR sensor hardware.

The following table sets forth a breakdown of the sales volume and average selling prices by product series during the Track Record Period.

	Sales Volume	**Average Selling Price**
	(unit)	*(US$)*
Falcon	510,184	756
Robin	22,992	376
Jaguar	245	6,546

During the Track Record Period, the average selling price of our products for ADAS applications has been declining since volume production commenced in 2022. This trend reflects the typical product lifecycle, where prices gradually decrease following product introduction until reaching maturity. These price adjustments align with industry norms and are consistent with the practices observed among our peers, according to CIC. Therefore, we expect the average selling price will continue to decrease in the future.

According to CIC, it is a common industry practice for OEMs to require suppliers to provide annual price reductions after products reach maturity, typically ranging from 1% to 5%. In line with this practice, we generally engage in year-end negotiations with our automotive customers, including NIO, to finalize pricing for the upcoming year. In 2025, NIO, our largest customer, implemented price reductions on certain LiDAR-equipped models,

ranging from 8% to 11%. Following this move, a potential annual price reduction request by NIO for 2026 would exert further downward pressure on our product pricing. Our Directors are of the view and the Joint Sponsors concur that any such price reduction requested by NIO is unlikely to have a material adverse impact on our business and financial performance, because we will continue to reduce the raw material cost per unit through ongoing research and development, enabling cost optimization and operational efficiency improvements that will offset the potential decline in the average selling price. During the Track Record Period, we continued to optimize our product design by reducing product weight and size, improving final product quality, refining structural design, decreasing the number of components, and eliminating redundant processes, all of which contributed to lower product costs. In addition, we dedicated significant resources to establishing a dual-supplier system, aiming to secure at least two suppliers for each critical raw material and component used in our manufacturing process. This initiative enhances supply chain stability and strengthens our negotiating power, both of which are essential for effective procurement cost control. As a result of these ongoing efforts, the cost of our LiDAR solutions decreased significantly during the Track Record Period. In 2022, 2023, 2024, and for the five months ended May 31, 2025, the unit costs of our Falcon solutions were US$1,446, US$1,094, US$766, and US$575, respectively. We plan to continue investing resources to further advance both our Robin and Falcon series LiDAR solutions. Specifically, our R&D efforts for the Falcon LiDAR are focused on miniaturization and performance enhancement through the use of more compact fiber lasers, more sensitive InGaAs APDs, and quieter motors. For the Robin LiDAR, we aim to improve performance by integrating more powerful VCSEL lasers and highly compact detector arrays. Additionally, we plan to implement more cost-sensitive designs across all product lines. This includes heavy investment in beam steering technology, more impact-resistant and weatherproof optical windows, stray light suppression, and the adoption of lower-cost and lightweight materials. We expect these initiatives to reduce the unit cost of our products by at least an additional 10% in 2026.

Our LiDAR sensor hardware products primarily include Falcon, Robin and Jaguar, which are designed for a wide range of automotive and non-automotive application scenarios. The following table sets forth key performance metrics of the three series.

Falcon (Ultra-long Range LiDAR)

 FK2	0.1°x0.1° ROI Resolution (HxV)	1.5m~500m (250m@10%) Detection Range	2cm (1σ) Distance Precision
	120°x9.6° ROI FOV	120°×25° FOV	10FPS (adjustable) Frame Rate

Robin E1X (Long Range LiDAR)/Robin W (Wide FOV LiDAR)

 Robin E1X	0.1°x0.1°/0.1°x0.2° Resolution (HxV)	1m~250m (200m@10%) Detection Range	3cm (1σ) Distance Precision
	6W Power Consumption	120°×20° FOV	10FPS (adjustable) Frame Rate
 Robin W	0.15°x0.36° Resolution (HxV)	0.1m~150m (70m@10%) Detection Range	up to 1cm (1σ) Distance Precision
	<7.2W Power Consumption	120°×70° FOV	10~20FPS (10 default) Frame Rate

Jaguar

 Jaguar	300 lines Resolution	280m/400m Detection Range	<3cm (1σ) Distance Precision
	0.09°x0.13° Angular Resolution	100°/65°×40° FOV	-40°C~85°C Operating Temperature

* Jaguar series are not used in automotive scenarios.

Falcon Series

Our Falcon series was designed for NIO Aquila super sensing system, and can be further adjusted to fit the requirements of other OEM partners based on the design of their vehicles and the ADAS and ADS functions they wish to realize. As of the Latest Practicable Date, the Falcon series has also secured design-wins from customers such as Inceptio, Plus (Zhijia), UDrive (Youdao Zhitu), Geely Farizon, Shaanxi Heavy Duty Truck and Pony AI. The bionic design of Falcon, which simulates the functioning of human eyes, helps Falcon simultaneously see forward and to the sides, and enables Falcon to have a large FOV at high angular resolutions and an adjustable high-resolution region within such FOV, much in the same ways as how human eyes function. The detection range can reach as far as 500 meters, and can achieve a detection range of 250 meters for 10% reflectivity targets with POD over 90%. The resolution can reach up to 0.1 degrees (vertical) × 0.1 degrees (horizontal), which enables Falcon Prime to effectively perceive small-sized objects at a long distance. Falcon Prime has a highly-integrated design, and can be easily deployed and maintained in a wide range of application scenarios, enabling better visibility and improved safety under complex road conditions. High-density region of interest ("ROI") can be adjusted on every frame simultaneously as needed on a real-time basis. This ensures the clarity of the key detection area and safety of autonomous driving. In addition to automotive applications, our Falcon series LiDAR solutions also possess the necessary specifications in terms of detection range and resolution to be applied in non-automotive scenarios, such as V2X, smart highway, and smart railway.

We have also launched Falcon AI, which is currently undergoing commercialization phase. Falcon AI is an integrated ultra-long-range AI LiDAR solution. Building on our Falcon LiDAR solutions, our Falcon AI series embeds one-stop AI modules which support major types of deep learning frameworks and algorithms without the need for external edge computing capabilities. This embedded and integrated design significantly reduces the complexity of implementation and maintenance of our products by our customers. Falcon AI can reach a resolution of 0.05 (vertical) × 0.05 (horizontal) degrees, maximum detection range of 500 meters, 1,700-lines per second scanning capability, an FOV of 120 degrees × 25 degrees, all supported by an AI chip with computing power of 32 TOPS (tera operations per second).

Robin Series

Robin series is our long-range or wide-FOV compact LiDAR solutions targeting urban low-to-medium speed application scenarios. We have also built in flexibility in its technology architecture, allowing it to achieve higher resolution, a longer detection range, and different sizes of FOV. The Robin series enjoys advantages in terms of compact size, light weight, low power consumption and low cost structure. We are in the process of collecting customer design requirements and developing a few product models that can best meet such requirements.

We launched the Robin E series long-range LiDAR solution in early 2022. Robin E1X, the latest version of Robin series, can reach a maximum detection range of 250 meters, and a detection range of 200 meters for 10% reflectivity targets. Robin E1X can reach a resolution up to 0.1 degrees (horizontal) × 0.1 degrees (vertical), and achieve an FOV of 120 degrees × 20 degrees. Robin E1X weighs 600 grams, with a compact size of 34 mm (height) × 126 mm (width) × 105 mm (depth) and operating at a power of less than 9 Watts. Robin E1X has a configurable frame rate of approximately 10-20 frames per second. The Robin E1X solution has been selected for adoption by Chinese passenger EV manufacturers as the main LiDAR for certain models. The volume production and delivery of Robin E1X solution commenced in October 2025.

We have also launched Robin W wide-FOV LiDAR solution in 2023 with a maximum detection range of 150 meters, and a detection range of 70 meters for 10% reflectivity targets. Robin W can reach a resolution up to 0.15 degrees (horizontal) × 0.36 degrees (vertical), and achieve an FOV of 120 degrees × 70 degrees. Robin W weighs less than 750 grams, with a compact size of 85 mm (height) × 102 mm (width) × 106 mm (depth) and operating at a power of less than 7.2 Watts.

We began mass production and delivery of Robin W LiDAR solutions for installation at NIO power swap stations in July and September 2024. The application of our Robin W LiDAR solutions at NIO power swap stations enables long-distance recognition with a high level of precision. The FOV of 120 degrees × 70 degrees provides reliable spatial detection data to facilitate auto-parking for vehicles entering the power swap stations. Robin W solution has also been selected by NIO as ancillary LiDARs, complementing our main LiDAR Falcon to provide comprehensive coverage of the vehicle's surroundings, including blind spot detection. Mass production and delivery of Robin W as ancillary LiDARs commenced in December 2024 and January 2025.

Jaguar Series

Our Jaguar series are 300-line long-range image-grade LiDAR hardware sensors designed to collect detailed and reliable data. They can be widely used in non-automotive application scenarios such as urban road, highway, metro and railway to perceive and facilitate the management of urban and highway road conditions. The Jaguar series provide a wide FOV and high resolution, enabling an accurate detection of up to 400 meters, and a classification of road users, which contribute to safer roads. The long-detection range means fewer units are required to cover a given length of a road, and therefore reduces cost and maintenance efforts. Jaguar is also applied in industry automation scenarios. For example, Jaguar series LiDARs are installed on mining trucks to detect road obstacles, other trucks and mine terrains. It has passed a variety of stress tests in different scenarios with stable performance even on violently vibrating trucks in mines. We discontinued sales of the Jaguar series starting in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series.

Application Scenarios

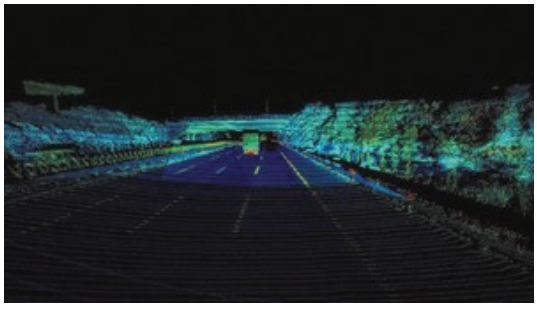
Our customers apply our LiDAR solutions in a wide variety of application scenarios, such as automobiles, highways, metro lines, railways, mining, V2X projects, and smart city.

Automobile Scenarios

Our LiDAR solutions are integrated in automobiles as a perception tool to facilitate a wide range of ADAS and ADS functions. Our different series of LiDAR solutions are designed for different automobile scenarios, primarily including long-range detection under high-speed driving scenarios as well as mid-range detection under urban low-to-medium speed driving scenarios. LiDAR solutions under automobile scenarios typically include our Falcon and Robin series. The following graph demonstrates the position of our LiDAR solutions on automobiles.



The following graphs demonstrate the real-world image and point cloud image generated by our automotive LiDAR solutions, which does not identify personal information such as license plate numbers or human faces.



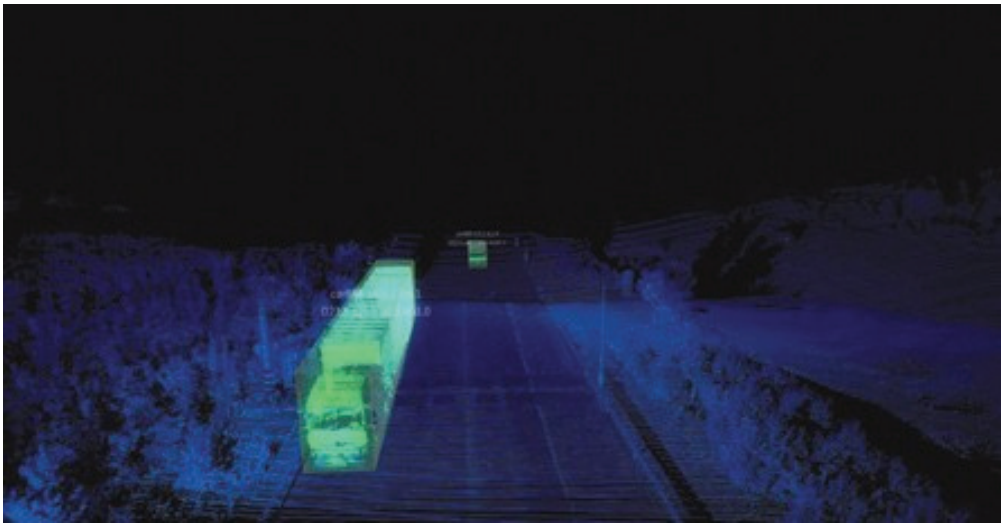


Highway Scenarios

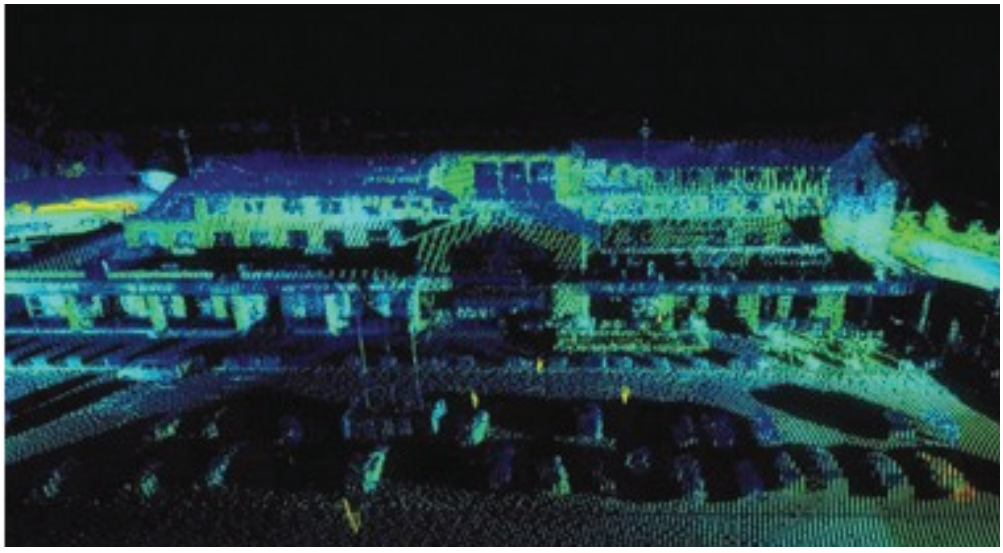
Our LiDARs are typically installed on fixtures such as overhanging bridges or billboards to capture signals from objects on the highways, such as lanes and vehicles. LiDAR solutions under highway scenarios typically include our Falcon and Jaguar series. The following graph demonstrates the position of our LiDAR solutions on highways.



The following graph demonstrates the point cloud image generated by our LiDAR solutions installed on highways, which typically includes information related to car lanes, vehicle distance, as well as the surrounding terrain.



The following graph demonstrates the point cloud image generated by our LiDAR solutions installed over a highway service center, which includes information on road lanes, parking spaces and buildings.



Metro and Railways Scenarios

Our LiDARs can also be installed in the front of subway and railway trains as well as over train tracks to help detect rail conditions, such as objects or obstacles over the metro or train tracks. LiDAR solutions under automobile scenarios typically include our Falcon series. The following graphs demonstrates the position of our LiDAR solutions in metro and railway scenarios.



Installed on subway trains



Installed on trains (interior view)

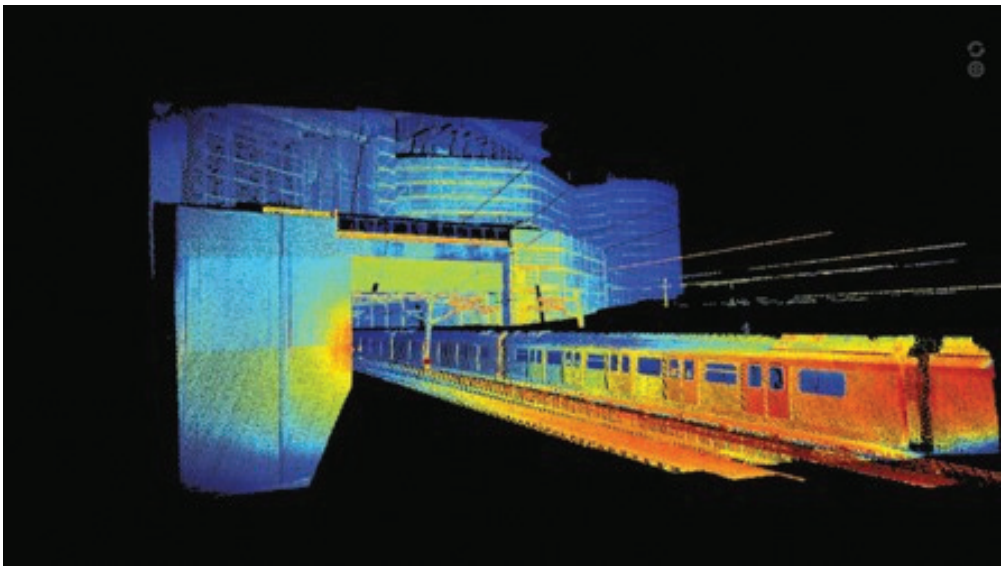


Installed on trains (exterior view)



Installed over train tracks

The following graph demonstrates the point cloud image generated by our LiDAR solutions installed over railways, which include information on the tracks, objects on tracks, tunnels, among others.

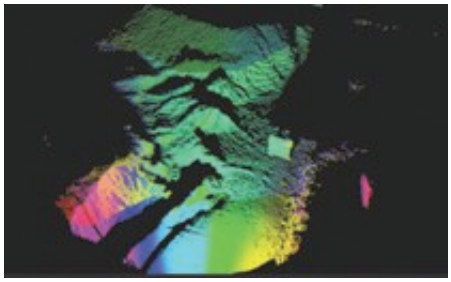


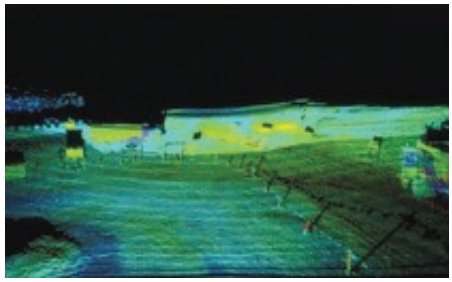
Mining Scenarios

Our LiDARs can also be installed on mining trucks to help detect obstacles on the road, small, and sharp stones, cone barrels, and oncoming trucks, among other objects. Meanwhile, the high-resolution point cloud can also help customers create high-precision maps and assist in real-time positioning during actual mining operations. LiDAR solutions under mining scenarios typically include a combination of our Falcon and Robin W series. The following graph demonstrates the position of our LiDAR solutions in mining scenarios.



The following graphs demonstrate point cloud images generated by our LiDARs installed in mining scenarios, which shows objects in mines and the general terrains of mines.





V2X Scenarios

V2X refers to "vehicle-to-everything," a technology enabling vehicles to interact with external traffic environment, including other vehicles, infrastructure, pedestrians, and the internet. Our image-grade ultra-long-range LiDAR solutions performs holographic scan of a traffic intersection and recreate the scanned signals into point clouds, which enable users to apply algorithms to identify and analyze different information types, including pedestrians, motor vehicles, movement angles, speed, acceleration, and traffic volume, among others. This helps customers to detect and be alerted on blind spots, and analyze traffic congestion information to facilitate more efficient traffic control. LiDAR solutions under V2X scenarios typically include our Falcon and Jaguar series. The following graph demonstrates the point cloud image generated by our LiDAR solutions as applied in V2X scenarios through holographic scan of a typical traffic intersection.

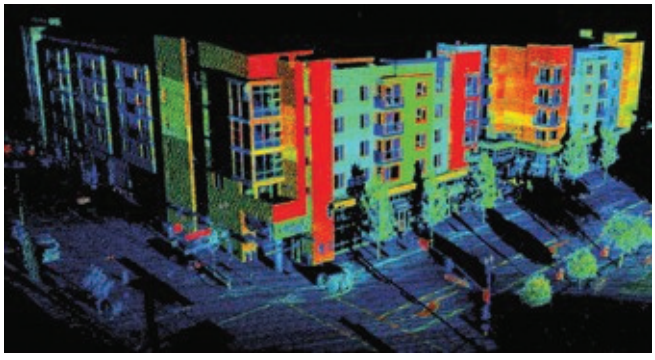


Smart City Scenarios

Our LiDAR solutions can be installed next to urban roads or other municipal structures to detect and monitor urban public space conditions, such as roads, public facilities (trees, sidewalks, lights, among others), and buildings, which enables local municipal governments to offer data-driven and more efficient public municipal services, optimize city functions, and improve residents' life quality. LiDAR solutions under smart city scenarios typically include our Falcon series. The following graph demonstrates the position of our LiDAR solutions installed under the smart city scenario.



The following graph demonstrates the point cloud image of roads, buildings and other city structures and facilities generated by our LiDAR solutions as applied in smart city scenario.



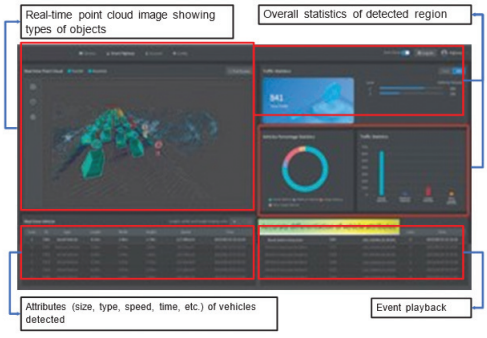
Our Software

We have developed our proprietary OmniVidi software, which cooperates with our LiDAR hardware and enables customers to process raw information detected and informs machineries of the detected objects. For example, through OmniVidi, once our LiDARs detect the appearance of pedestrians into a predefined area, such as a crosswalk, or areas of the road outside of the crosswalk, such information is combined with input from the traffic light to trigger an appropriate warning that can be broadcast by a roadside unit to nearby smart vehicles, or displayed in a prominent location to alert oncoming drivers. Our OmniVidi extends the functionality of our LiDAR solutions to more than just perception, and directly helps improve safety and the performance of vehicles and other non-automotive machineries. Leveraging its detection algorithms, our OmniVidi can categorize detected objects into different types, such as vehicles, trains, pedestrians and foreign objects on tracks, among others, and separately mark them on the point cloud image. Building on such detection capability, OmniVidi can also identify vehicles under abnormal circumstances (such as vehicles loaded with cargo that exceed the regular vehicle size dimensions, and vehicles that exceed the speed limit), trigger alert signals, and analyze traffic condition. OmniVidi does not require poles, antenna or other dedicated equipment, which significantly reduces failure rate, implementation and maintenance complexity.

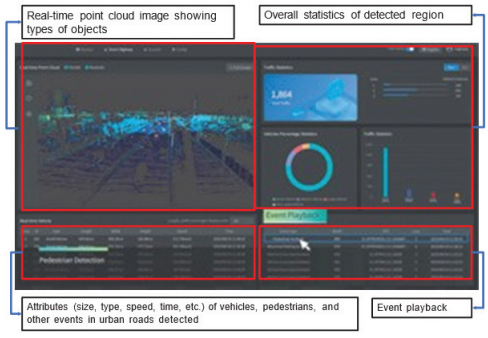
OmniVidi can be configured so when abnormal events occur, the point cloud is saved as a 3D point cloud or a 2D image format. We enable customers to record data in real time, which are then sent back to our customers' servers for storage and for further access and processing. In addition, predefined actions, such as sending notification in certain protocols, will be executed according to business rules predefined by user.

The OmniVidi software can be sold either separately from the hardware or integrated with it. Pricing is determined at varying levels through arm's length negotiations with customers on a case-by-case basis.

The following images demonstrate the OmniVidi user interface. The interface enables users to see the real-time point cloud information collected by our LiDAR solutions, real-time vehicle information, traffic volume and statistics, special event records (with playback function).



OmniVidi user interface – highway scenario



OmniVidi user interface – urban scenario

OmniVidi has been applied to a wide range of real-life scenarios, as demonstrated by the following case study. We expect to continue to expand and upgrade the functions of OmniVidi to cover more automotive and non-automotive application scenarios.

Case Study for OmniVidi: Metro Line Scenario

During the demolition of a building alongside a segment of above-ground metro line track, debris of the building has fallen off onto the track and posed potential threats to the safety and smooth operations of the metro line. Before installing our solutions, the metro line operator only equipped the metro trains with cameras, which had limited capabilities in detecting foreign objects on tracks due to a short detection range and poor lighting conditions, which could hinder their operation. To increase safety, the metro line operator introduced our LiDAR-based foreign object intrusion detection system, or OmniVidi-ID, which uses our LiDAR hardware as the main sensor in collaboration with other sensors such as cameras. Our OmniVidi-ID system enables the trains to detect more than 100 meters ahead and is less affected by poor lighting conditions during bad weather or at night times. The OmniVidi-ID system can quickly and accurately recognize the presence of foreign objects on the tracks, as

well as other types of still and moving objects, such as pedestrians and other trains, and send alarms to drivers and operators immediately. Our OmniVidi-ID system is equipped with a high-performance, high-accuracy DepthMap perception algorithm, which enables the system to achieve the abovementioned recognition in less than 0.2 seconds.

RESEARCH AND DEVELOPMENT

We have invested significant resources in the research and development of our LiDAR-based technologies, and we believe our strong research and development capabilities are core competitive strengths to maintain a leadership position in the market.

Our research and development activities began in Silicon Valley in the U.S., and has expanded into China in order to capitalize on the human talent in both countries. As of May 31, 2025, we had 265 full time-equivalent research and development employees in China, 123 of whom have earned a master's degree or higher with an average working experience of over eight years. We also had 18 research and development employees in the U.S., a vast majority of whom have earned a master's degree or higher with an average working experience of over 19 years.

Our research and development expenses were US$78.1 million, US$63.8 million, US$37.0 million, US$20.9 million and US$13.7 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively. We focus our efforts on the development of new LiDAR solutions with higher performance in order to satisfy the needs of our existing customers and to reach more customers. The research and development team also partners with our operations and supply chain functions to develop scalable and reliable manufacturing processes.

We are further developing our 1,550 nm systems, aiming to reduce production cost of our Falcon series LiDAR solution. Meanwhile, we are also leveraging the flexibility in our technology architecture to develop the 905 nm system for more diverse application scenarios that require medium detection range and wide-angle surround views. We intend to further broaden the use case for our 905 nm systems to include global factory-installed products with a competitive pricing range.

Our past and future R&D projects are set forth in the below table:

Project Name	Start Time	End Time/ Estimated end time for future projects	Description
1,550 nm Falcon series LiDAR	2021	2026	This is an an automotive-grade, image-level ultra-long-range LiDAR project. It aims to achieve a maximum detection range of 500 meters and a 250-meter detection at 10% reflectivity, enabling early detection of incidents during high-speed driving. We have deployed ASIC and started mass production to improve LiDAR resolution and use a dynamic ROI function for better tracking.
905 nm Robin series LiDAR	2024	2027	This is an automotive-grade long-range front-view LiDAR project. We aim to achieve a maximum detection range of 250 meters with a 120° horizontal and 20° vertical field of view and generates point clouds at an image-level resolution of 0.1° in both directions. We plan to make this LiDAR lightweight, low-power, and easy for mass production. It enables flexible vehicle integration, including behind the windshield, in the headlight, grille, or front bumper.

Project Name	Start Time	End Time/ Estimated end time for future projects	Description
905 nm Robin series blind-spot compensation LiDAR	2022	2026	We use VCSEL and SiPM technology, aiming to achieve an ultra-wide 120°×70° field of view with a high resolution of 0.1°×0.36°, a 70-meter measurement capability at 10% reflectivity and a maximum detection range of 150 meters. We plan to have a compact design to save it from complex cooling and makes it easy to integrate into vehicle bodies. It can also potentially be used in construction machinery, low-speed logistics, robotics, intelligent transportation systems, and smart infrastructure.
905 nm Flash series LiDAR	2024	2027	This is a pure solid-state ultra-wide-angle blind-spot compensation LiDAR project. We aim to achieve a 140°×100° field of view with blind spots under 10 centimeters, leveraging electronic scanning technology. It is designed to integrate with ultra-long-range frontal LiDAR to deliver 360° perception, providing support for Level 3 autonomous driving and significantly enhancing safety. It can also potentially be used for autonomous logistics vehicles, humanoid robots, and more.

Cooperation with NIO

In October 2022, we began our cooperation with NIO on the research and development of ASIC chip that are designed to enhance the image processing functions and improve the computing power of our automotive-grade LiDAR solutions, and to make our products more cost efficient. Compared to the prior high-speed ADC and FPGA, the ASIC chip reduces power consumption from 30W to 20W. The signal sampling resolution of the ADC has been improved from 8-bit to 9-bit, enhancing the LiDAR's ranging accuracy and reflectivity measurement precision. Moreover, the ASIC chip increases the number of physical channels for laser echo reception from 4 to 8, enabling the LiDAR system to double the point cloud density. Such cooperation covers every stage of the R&D process from product design, technical review before tape-out, testing and verification. We are responsible for a series of payments to NIO based on predetermined development milestones from project kickoff to project conclusion after the ASIC chip product reaches volume production standards. During the Track Record Period, the research and development expense incurred for the ASIC chip were US$35.8 million, US$5.9 million, nil, nil and nil in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, under such cooperation agreement and, such payments and the interests thereof due to NIO is still outstanding as of the Latest Practicable Date. As of the Latest Practicable Date, we had agreed with NIO to settle the outstanding balance of US$43.8 million in nine installments over 2026 and 2027, with approximately two-thirds payable in 2026 and the remainder in 2027. Under the agreement, NIO permanently retains the rights to its pre-existing IP (including third-party IP licenses, EDA software licenses, and related hardware) used in the ASIC Project. However, this does not materially affect our ability to offer ASIC chip-equipped products to other customers, as the key LiDAR-related IP developed during the project and derived from our background IP may be freely used, modified, and upgraded, including in cooperation with third parties. We can offer ASIC chip-equipped products to other customers under the agreement without NIO's consent. Both NIO and we jointly share the intellectual property derived from the development.

The key terms of the agreement primarily include the following.

Term:	The agreement remains effective until all obligations are fulfilled.
IP rights:	The parties retain ownership of their respective pre-existing intellectual property (IP), which remains unaffected by this agreement. Newly developed IP under the project will be jointly owned. We have the right to use, modify and update the IP independently or with a third party. The IP rights of NIO is limited to project use, with restrictions on independent or third party use unless explicitly agreed by us.
Liability:	Either party breaching its obligations under the agreement is liable for all resulting losses. However, neither party is liable for indirect, incidental, or punitive damages, and total liability is capped at the agreement's total value.
Termination:	The agreement may be terminated earlier by mutual consent, for unremedied material breach after notice, or due to insolvency or significant asset transfer.

In January 2024, ASIC chips, manufactured by a third-party vendor via NIO, entered volume production and were integrated into our Falcon series products for NIO, though they are not part of our raw material purchases or product revenue. In order to offer ASIC chip-equipped LiDAR solutions to other customers, we are currently in negotiations with NIO for separate purchases agreements to purchase such ASIC chips from NIO. While ASIC chips enhance the functionality of our products, they are not indispensable to our LiDAR offerings. In addition, we have the right to use the IP independently. We could also find other vendors to manufacture the ASIC chips for us and offer ASIC chip-equipped LiDAR solutions to other customers, without the consent of NIO. Thus, the collaboration with NIO for ASIC chips is not expected to increase our reliance on NIO. In addition, NIO cannot use the ASIC chips without our consent if it were to switch LiDAR supplier.

As of the Latest Practicable Date, we had agreed with NIO to settle the outstanding balance of US$43.8 million in nine installments over 2026 and 2027, with approximately two-thirds payable in 2026 and the remainder in 2027.

INTELLECTUAL PROPERTY

Since our inception and as of May 31, 2025, we have internally developed a variety of hardware and software related intellectual property rights, including (i) 71 registered patents, 73 pending patent applications and one registered trademark in the United States; and (ii) 55 registered patents, three allowed patent applications, 76 patent applications, 34 software copyrights and 17 registered trademarks in China. We also have 20 registered patents, nine pending patent applications in other jurisdictions, such as Japan, South Korea, Germany and Europe, and have one registered trademark under WIPO and 19 pending applications to WIPO. In addition, we have two trademarks in Japan, two trademarks in Australia, six trademarks in the E.U., six trademarks in the U.K., two trademarks in Saudi Arabia, one in Singapore, one in South Korea and two in United Arab Emirates. We also own 17 domain names for our websites. We believe these intellectual property rights are critical for us to continue to develop more advanced LiDAR solutions with higher performance under both automotive and non-automotive application scenarios.

We have filed patent and trademark applications in order to further secure these rights and strengthen our ability to defend against third parties who may infringe on our rights. We also rely on trade secrets, design and manufacturing know-how, and continuing technological innovations to maintain and improve our competitive position. In addition, we protect our proprietary rights through agreements with our commercial partners, supply-chain suppliers, employees, and consultants, as well as close monitoring of the developments and products in the industry.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to, nor were we party to, any intellectual property rights infringement claims or litigations and were not aware of any material infringement of our intellectual property rights that had a material adverse effect on our business. We had complied with all applicable intellectual property laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

Focusing on sales and marketing efforts in China and other global markets, we have established sales teams worldwide, including China, the United States and Germany. As of May 31, 2025, we had 39 sales and marketing employees in total to market our solutions worldwide.

Sales and Marketing Strategies

For our automotive LiDAR solutions, we typically partner with OEMs and other ADAS or ADS companies to ensure they select our products for integration into their models. These customers typically place orders with us directly.

For non-automotive LiDAR solutions, we primarily use our own team to explore new market opportunities, and have established strong and stable relationships with leading system integrators in China. We enter into framework agreements with system integrators, which provide that we serve as the provider of non-automotive LiDAR solutions throughout their non-automotive projects within a particular region or particular areas of applications (for example, the transportation infrastructure upgrade project in a particular province). These system integrators then enter into detailed purchase orders based on their actual needs, which set forth detailed terms on payment, amount, product specifications, and shipment and installation. For certain industry customers of our non-automotive LiDAR solutions, such as certain train manufacturers, industrial engineering vehicle manufacturers, mines, and rail transit operators, we directly supply our LiDAR solutions to these customers. We also plan to use our software capabilities in order to provide more customized overall detection solutions. We believe our marketing experience in the smart railway, automation and industrial safety industries in China can be applied worldwide to help us achieve success in non-automotive markets of other countries as well.

We have also established marketing strategies specifically for our automotive and non-automotive LiDAR solutions. For automotive LiDAR solutions, we plan to first focus on the China market to capitalize its near-term market potential by demonstrating our volume production capabilities, and have devised differentiated marketing strategies based on the type of products by the competitor. We also intend to devise differentiated marketing strategies for other markets we venture into, as we are dedicated to becoming one of the key players of automotive-grade LiDAR solutions that appeal to OEMs around the world. To compete with peers, we leverage our experience and capabilities in volume production, and assemble a team of local technical support staff in order to more promptly provide localized solutions to satisfy customer needs on development, integration and optimization of autonomous driving systems. We also plan to increase the price competitiveness without compromising quality. We market our products by focusing on our product features and performance in terms of detection range, and resolutions, among other metrics, and ensure that potential customers are aware of our technical advantages. We are in close contact with a number of OEMs, many of which are top-tier OEMs in terms of annual sales volume.

Our sales volume are not subject to material seasonal fluctuations. However, we may experience fluctuations in business driven by several factors, including the timing and magnitude of orders from our customers, which depends on their own needs. See "Risk Factors – Risks Related to the Target Group's Business and Industry – Because our customers typically place purchase orders on a project or per model basis, we expect our results of operations to fluctuate as the need by our customers fluctuate from period to period, which could materially affect our business operation, financial conditions and prospects."

Distributorship

We have developed a sales network that integrates both distributorship and direct sales. While our primary focus is on direct sales, we also leverage the local expertise and connections of our distributors to expand our customer base.

We started selling to distributors in 2022. Our distributor network consists of 26 distributors covering the U.S., United Kingdom, and several European markets as of May 31, 2025. In 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, the revenue generated from the distributors amounted to US$0.06 million, US$0.55 million, US$1.25 million, US$0.32 million and US$0.50 million, respectively, representing 0.10%, 0.45%, 0.78%, 0.61% and 0.96% of our total revenues during the same period, respectively.

Our distributors primarily engage in the distribution of LiDAR solutions. We have a buyer-seller relationship with our distributors. We do not have sub-distributors. We generally maintain long-term and stable business relationships with our major distributors. Our sales and marketing team screens and selects distributors whom we believe have the required qualifications and capabilities and are suited to our marketing strategy, and establishes and maintains resource sharing with our distributors to effectively execute our marketing strategies specifically tailored to each designated geographic location and retail channel. We select and regularly evaluate our distributors in each region based on a number of factors, including their qualification, location, business scale, sales experience, customer base, reputation, technical and sales capabilities. We believe that our existing distributorship model is consistent with customary industry practice.

During the Track Record Period, none of our distributors had any past or present relationship (business or otherwise) with the Target Group, our shareholders, directors, supervisors, senior management.

We typically enter into an agreement with each distributor. The key terms of the agreements primarily include the following.

Term:	The agreement terminates on the last day of the calendar year in which it commenced and automatically renews for successive one-year terms, unless either party provides written notice of non-renewal at least 30 days prior to the expiration of the current term.
Exclusivity:	Generally non-exclusive; unless otherwise agreed, we are entitled to engage other distributors to promote and sell the designated products within the authorized region and/or market.

Target purchase amount/minimum purchase amount:	We typically set non-binding sales targets with distributors on a case-by-case basis and conduct quarterly reviews. If a distributor fails to meet targets without valid justification (e.g., economic factors, manufacturing delays), they are given three months to implement corrective actions. After this period, a review is conducted to decide whether to continue the distributor relationship.
Payment and delivery:	We deliver the products following receipt of payment from the distributors to the designated address in the relevant purchase order. We typically grant our distributors a credit term of 30 days upon receipt of invoice.
Product return/exchange:	We generally do not allow product returns and exchanges in our distributor sales.
Warranty:	Our overall warranty period is generally up to three years from acceptance, while our products resold by distributors usually carry a two-year warranty to end customers, during which quality issues not caused by human factors will be repaired or replaced free of charge, while damage from improper use, management, or unauthorized disassembly is not covered and may incur paid services.
Termination:	The agreement terminates (i) on the last day of the year the agreement is commenced, or (ii) by either party upon written notice as set forth in the relevant agreements.

The following table sets forth changes in the number of our distributors that purchased our products during the Track Record Period.

	For the year ended December 31,			For the five months ended May 31,
	2022	2023	2024	2025
As of the beginning of the period	–	4	11	22
Increase in distributors	4	7	11	4
Decrease in distributors	–	–	–	–
Net increase in distributors	4	7	11	4
As of the end of the period	4	11	22	26

We have adopted a distributor management protocol to enhance the centralized management of our distributors. We conduct review of our distributors, based on their business performance and regulatory compliance. Our distributors are generally required to comply with all applicable laws and regulations. Distributors' business performance is primarily evaluated based on the distributors' sales performance. Our sales and marketing department monitors, manages and supports the activities of our distributors to help ensure that they comply with our guidelines, policies and procedures. We conduct quarterly review of the distributors performance and renew the distributorship agreement with each distributor according to the review results. We generally do not grant any kinds of cash rebates to our distributors. We retain the discretion to adjust credit periods, renegotiate order prices and certain other commercial terms with them based on the review results. We generally do not allow product returns and exchanges in our distributor sales. According to CIC, such good return policy is in line with industry practice. We frequently check and manage our distributors' inventory levels to ensure there are no unsold or overstock inventories.

During the Track Record Period, we generally maintained effective management and control over our distributors. We believe we are subject to minimal risks of channel stuffing since (i) we adopt sales control measures including reviews of distributors' inventory levels, sales amounts and marketing activities, as applicable, (ii) we recognize revenue when the control of the goods is transferred to distributors, and we generally do not accept return or exchange of our products except for verified product quality issues, and (iii) less than 1% of our revenues were generated from sales of products through distributors in each period during the Track Record Period.

To prevent market cannibalization, we have implemented a series of distributor strategies and policies that ensure effective cooperation between our sales team and distributors. Our central global distribution team oversees the selection, training, and onboarding of distributors, ensuring alignment with company standards. All distributor sales are counted toward the sales team members' quotas, which encourages collaboration rather than competition. Additionally, we have established a deal-registration process, where distributors notify us of the leads they are pursuing. This process helps avoid any overlap or duplication of efforts. Furthermore, to minimize potential conflicts, we do not grant exclusivity to any distributor. Instead, each distributor is assigned specific territories based on market verticals or geographical locations, ensuring clear boundaries and reducing the risk of cannibalization. We provide distributors with recommended retail prices with an aim to facilitate the stability of our sales and distribution network and mitigate the risk of cannibalization. Our distributors generally follow such recommended retail prices in practice but are not obligated to sell at any particular prices. Our sales and marketing team regularly monitors the prices of our products sold through different channels, including through distributors, and adjusts the recommended retail prices accordingly.

Customer Acquisition

Our customer acquisition and sales process mainly involve the following aspects: (i) industry research, target customer screening and risk evaluation; (ii) establishing relationships through online and offline channels; (iii) customer visits and communication of requirements on technical schematics; (iv) delivery, review, testing and validation of samples; (v) combination on quotations based on evaluation of samples; (vi) design-win approval and volume production; and (vii) constant relationship maintenance with customers to understand their evolving needs and identify potential future sales opportunities in broader range.

In 2022, 2023, 2024 and five months ended May 31, 2025, we entered into transactions with 108, 163, 231 and 164 customers, respectively.

Pricing

We determine our pricing strategies based on a variety of factors, such as cost and market demand for our services, sales volume of certain transactions, the customer's sensitivity to the price, historical cooperation with the customer and future sales opportunities with the customer. See "Risk Factors – Risks Related to the Target Group's Business and Industry – We have experienced decrease of the average selling prices of our products during the Track Record Period, and the average selling prices of our products could continue to decrease or decrease rapidly over the life of the product, which may negatively affect our revenue and gross margin."

Product Return and Exchange Policy

We generally do not allow product returns and exchanges other than product quality issues discovered during the process of inspection or within a specified time after acceptance ranging from five to 10 business days. Our warranty period is generally up to three years from acceptance, during which quality issues not caused by human factors will be repaired or replaced free of charge, while damage from improper use, management, or unauthorized

disassembly is not covered and may incur paid services. According to CIC, our product return and exchange policies are in line with industry practice. The value of products returned accounted for approximately 0.5%, 1.5%, 0.3%, 0.1% and 0.2% of our revenue in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively. We did not record any provision for product returns during the Track Record Period save for provision for product warranty.

We generally grant a three-year assurance type warranty in relation to sales of LiDAR sensors to customers. The sales-related warranties associated with LiDAR sensors cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. The warranty provision represents our best estimate of liability under three-year assurance-type warranty granted on LiDAR sensors, based on prior experience and industry averages for defective products. The estimation is reviewed on an ongoing basis and is revised when appropriate. We recorded warranty provision of US$1.6 million, US$2.0 million, US$2.7 million, US$1.9 million and US$0.8 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively.

During the Track Record Period, we did not experience any material customer complaints. We ensured high quality of products and customer satisfaction through quality control measures and product warranty. In addition, we handle customer complaints, if any, by investigating and analyzing the cause of issues raised by our customers, categorizing the identified issues and referring to relevant departments for resolution and corrective actions.

COMPETITION

As of the date of this circular, automotive-grade standards have been achieved by LiDAR solutions for ADAS applications, while LiDAR solutions for ADS applications are still under development to meet automotive-grade standards. We are the world's first provider of automotive-grade LiDAR solutions to achieve volume production, according to CIC. We are the first player globally to achieve 10,000 cumulative automotive-grade LiDARs deployments for vehicles with standard configurations of LiDARs, which is generally considered as the threshold for volume production, according to CIC. We had delivered approximately 230,000 automotive-grade LiDARs in 2024 and ranked fourth in the global automotive-grade LiDAR solutions market in terms of sales value of automotive-grade LiDARs according to CIC.

OEMs tend to have varying needs for LiDAR solutions. Currently, large-scale OEMs tend to focus more on performance of LiDAR solution and commercialization capability of LiDAR solution providers. Most of those OEMs require LiDARs to function in both low speed and high speed scenarios, providing full coverage under different driving scenarios to ensure safety and comfort. On the other hand, new entrants and less experienced players are comparatively more cost sensitive. With the advancement of ADAS technology, OEMs are expected to focus more on the performance of LiDAR solutions. Among 1,550 nm LiDAR models, our Falcon series has successfully achieved volume production at significantly lower cost compared to comparable 1,550 nm models while our Robin series LiDAR solutions is expected to deliver similar performance metrics with other comparable 905 nm models upon delivery.

Additionally, we have devoted efforts in the non-automotive LiDAR solutions market including smart transportation, smart railways, industrial safety and automation and V2X. We are one of the first players with a commercialization track record in both automotive and non-automotive solutions, according to CIC. See "Industry Overview of the Target Group" and "– Our Competitive Strengths" for a more detailed discussion of the industries in which we compete, as well as our competitive landscape.

OUR CUSTOMERS

Our products are sold to customers from a variety of regions around the world, mainly including China. Our customers primarily comprise two categories: (i) end customers, and to a lesser extent, (ii) distributors. The distinction between these groups is based on whether the customer is expected to purchase our products for resale.

End users include specific businesses and institutions, primarily OEMs, ADAS or ADS companies, and system integrators. For automotive LiDAR solutions, we maintain business relationships with OEMs and ADAS or ADS companies. For non-automotive LiDAR solutions, we sell to system integrators in industries such as smart transportation, smart railway, industrial safety, and automation, including mines and rail transit operators seeking to enhance safety and automate operations. In certain cases, we also directly sell our non-automotive LiDAR solutions to end users of non-automotive applications. For details, see "– Our Competitive Strength – Growing Customer Base for Automotive-Grade LiDAR Solutions."

Distributors are defined as customers who purchase our products for resale, while end users are those who acquire our products for their own use. For details, see "– Sales and Marketing – Distributorship."

In 2022, 2023, 2024 and five months ended May 31, 2025, the aggregate revenues generated from our five largest customers in each period were US$62.4 million, US$113.7 million, US$151.0 million and US$47.9 million representing 94.0%, 93.8%, 94.7% and 92.2% of our revenues, respectively. In the same periods, revenues generated from our largest customer in each period were US$58.8 million, US$109.8 million, US$146.1 million and US$44.8 million representing 88.7%, 90.6%, 91.6% and 86.2% of our revenues, respectively. See "Risk Factors – Risks Related to the Target Group's Business and Industry – We rely substantially on a single customer."

The following tables set out the details of our five largest customers for the periods indicated based on revenue contribution during the Track Record Period.

For the Year Ended December 31, 2022

Rank	Customer name	Background	Listing venue	Year of commencement of business relationship	Payment method	Products sold	Percentage of total revenue	Revenue
							%	*(US$ in thousands)*
1	NIO	A group company incorporated in Cayman Islands in 2014 with authorized share capital of US$1 million that engages in the designing, developing, manufacturing and sales of smart electric vehicles	New York Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange	2021	Bank transfer and notes	LiDAR – Falcon series, components	88.7	58,828
2	Customer A	A group company in Guangdong Province founded in 2018 with approximately RMB18.4 million in registered capital that engages in the R&D of "vehicle-road-cloud integrated" system	Not listed	2021	Bank transfer	LiDAR – Falcon series	2.0	1,334
3	Customer B	A company in Jiangsu Province founded in 2018 with approximately RMB10.0 million in registered capital that engages in the wholesale of automotive parts	Not listed	2020	Bank transfer	LiDAR – Jaguar series, Falcon series	1.8	1,206
4	Customer C	A group company in San Diego founded in 2015 with approximately US$400.0 million in registered capital that engages in the developing self-driving trucks	Not listed	2022	Bank transfer	LiDAR – Falcon series	0.8	553
5	Customer D	A company in Zhejiang Province founded in 2020 with approximately RMB11.0 million in registered capital that engages in the wholesale and retail of automotive parts	Not listed	2022	Bank transfer	LiDAR – Falcon series	0.7	437
Total							**94.0**	**62,358**

For the Year Ended December 31, 2023

Rank	Customer name	Background	Listing venue	Year of commencement of business relationship	Payment method	Products sold	Percentage of total revenue	Revenue
							%	*(US$ in thousands)*
1	NIO	A group company incorporated in Cayman Islands in 2014 with authorized share capital of US$1 million that engages in the designing, developing, manufacturing and sales of smart electric vehicles	New York Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange	2021	Bank transfer and notes	LiDAR – Falcon series, components	90.6	109,780
2	Customer E	A company headquartered in the United States with over 30 years of history and an annual revenue of multi-billion US dollars that engages in consumer electronics, software, and service	NASDAQ Stock Exchange	2021	Bank transfer	LiDAR – Falcon series, non-recurring engineering service	1.5	1,791
3	Customer F	A group in Fujian Province founded in 2018 with approximately RMB95.6 million in registered capital that engages in the leading autonomous haulage solution for the mining industry	Not listed	2022	Bank transfer and notes	LiDAR – Falcon series	0.8	921
4	Customer G	A group company in Beijing founded in 2001 with approximately RMB13,421.3 million in registered capital that engages in the Internet services	New York Stock Exchange, Hong Kong Stock Exchange	2019	Bank transfer	LiDAR – Jaguar series, Falcon series	0.5	654
5	Customer C	A group company in San Diego founded in 2015 with approximately US$400.0 million in registered capital that engages in the developing self-driving trucks	Not listed	2022	Bank transfer	LiDAR – Falcon series	0.4	529
Total							**93.8**	**113,675**

For the Year Ended December 31, 2024

Rank	Customer name	Background	Listing venue	Year of commencement of business relationship	Payment method	Products sold	Percentage of total revenue	Revenue
							%	*(US$ in thousands)*
1	NIO	A group company incorporated in Cayman Islands in 2014 with authorized share capital of US$1 million that engages in the designing, developing, manufacturing and sales of smart electric vehicles	New York Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange	2021	Bank transfer and notes	LiDAR – Falcon series, components	91.6	146,110
2	Customer H	A company in Shanghai City founded in 2019 with approximately RMB1,000 million in registered capital that engages in the autonomous driving technology	Not listed	2022	Bank transfer	LiDAR – Falcon series	1.5	2,322
3	Customer F	A group in Fujian Province founded in 2018 with approximately RMB95.6 million in registered capital that engages in the leading autonomous haulage solution for the mining industry	Not listed	2022	Bank transfer and notes	LiDAR – Falcon series	0.8	1,255
4	Customer E	A company headquartered in the United States with over 30 years of history and an annual revenue of multi-billion US dollars that engages in consumer electronics, software, and service	NASDAQ Stock Exchange	2021	Bank transfer	LiDAR – Falcon series, non-recurring engineering service	0.5	801
5	Customer I	A company in Gansu founded in 2003 with approximately RMB30 million in registered capital that engages in the intelligent transportation	Not listed	2024	Bank transfer	LiDAR – Falcon series	0.3	555
Total							**94.7**	**151,043**

For the five months ended May 31, 2025

Rank	Customer name	Background	Listing venue	Year of commencement of business relationship	Payment method	Products sold	Percentage of total revenue	Revenue
							%	*(US$ in thousands)*
1	NIO	A multi-national company headquartered in California founded in 1976 with an annual revenue over US$380 billion that engages in consumer electronics, software, and service	New York Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange	2021	Settlement information	LiDAR – Falcon series, components	86.2	44,791
2	Customer H	A company in Shanghai City founded in 2019 with approximately RMB1,000 million in registered capital that engages in the autonomous driving technology	Not listed	2022	Bank transfer	LiDAR – Falcon series	2.4	1,262
3	Customer F	A group in Fujian Province founded in 2018 with approximately RMB95.6 million in registered capital that engages in the leading autonomous haulage solution for the mining industry	Not listed	2022	Bank transfer and bank acceptance bill	LiDAR – Falcon series	1.5	789
4	Customer J	A company in Shenzhen City founded in 2021 with approximately USD 51 million in registered capital that engages in the autonomous driving technology	Not listed	2023	Bank transfer	LiDAR – Falcon series	1.1	563
5	Customer K	A company in California founded in 2018 that specializes in AI driven LiDAR analytics, providing real-time tracking of people, vehicles, assets, and flows in both indoor and outdoor spaces	Not listed	2024	Bank transfer	LiDAR – Falcon series, Robin series	1.0	513
Total							**92.2**	**47,918**

Honour Key Limited is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company. In addition, Glory Summer Worldwide Limited is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Target Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. Mr. Li Bin is a shareholder of NIO which is our largest customer in each period during the Track Record Period. Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five customers. Save as aforementioned, none of our five largest customers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

Key Terms of Agreements with Our Customers

We typically enter into standard sales agreements with our customers. There is generally no minimum purchase commitment or price adjustment mechanism. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements with our customers. The key terms of the agreements with our customers primarily include:

Term:	The agreement typically has an indefinite term.
Purchase order:	We may separately enter into purchase orders with certain customers on a case-by-case basis under the framework agreement, setting out details such as price, quantity and schedule and location for delivery.
Payment and credit term:	The normal credit term is 0 to 90 days upon receipt of invoice. We may require certain percentage of prepayment upon execution of the agreement or purchase order for certain customers.
Product return:	We generally do not allow product returns and exchanges other than product quality issues discovered during the process of inspection or within a specified time after acceptance ranging from five to 10 business days.
Logistics:	For hardware, we are generally responsible for delivering the products to locations designated by the customers in accordance with the delivery schedule specified in the purchase order.

Transfer of risks:	The risks transfer to customers after they confirm the receipt of our products.
Warranty:	Our warranty period is generally up to three years from acceptance, during which quality issues not caused by human factors will be repaired or replaced free of charge, while damage from improper use, management, or unauthorized disassembly is not covered and may incur paid services.
Liability:	We are responsible for losses arising from and costs incurred due to product quality issues.
Termination:	The sales agreement or purchase order may be terminated by our customers (i) if we fail to deliver qualified goods, supplement incomplete deliveries, or repair or replace deliveries with qualified goods within specified time period, or (ii) with a notice in advance.

Overlapping Customer and Supplier

During the Track Record Period, to the best knowledge of our Directors, one of our five largest customers in each period during the Track Record Period were also our suppliers, and four of our five largest suppliers in each period during the Track Record Period were also our customers. The following table sets forth the overlapping major customers and suppliers during the Track Record Period.

Customer/ Supplier	Year/Period	Purchase Amount	Revenue	Reasons For Overlapping
		(US$ in thousands)	*(US$ in thousands)*	
NIO	2022	36,235	58,828	We purchased R&D service from NIO for research and development of ASIC chips, and sold our Falcon and Robin series LiDAR solutions to NIO.
	2023	5,935	109,780	
	2024	–	146,110	
	Five months ended May 31, 2025	–	44,791	
Supplier A	2022	36,042	–	We purchased certain raw materials from and sold other electronic materials to Supplier A.
	2023	49,266	38	
	2024	18,436	–	
	Five months ended May 31, 2025	7,139	–	

Customer/ Supplier	Year/Period	Purchase Amount	Revenue	Reasons For Overlapping
		(US$ in thousands)	*(US$ in thousands)*	
Supplier E	2022	26	–	We purchased certain raw materials from and sold other electronic materials to Supplier E.
	2023	9,997	148	
	2024	28,142	–	
	Five months ended May 31, 2025	9,809	–	
Supplier F	2022	356	–	We purchased certain raw materials from and sold other electronic materials to Supplier F.
	2023	1,241	114	
	2024	21,663	1	
	Five months ended May 31, 2025	4,622	–	
Supplier G	2022	874	–	We purchased certain raw materials from and sold other electronic materials to Supplier G
	2023	6,301	–	
	2024	15,770	–	
	Five months ended May 31, 2025	4,695	2	

Negotiations of the terms of our sales to and purchases from overlapping customers and suppliers were conducted on a transaction-by-transaction basis. Our sales to overlapping customers and suppliers are priced consistently with those to our other customers. Additionally, we made payments to overlapping customers and suppliers determined through arm's length negotiations. During the Track Record Period, we maintained a stable and mutual beneficial relationship with overlapping customers and suppliers. The sales and purchases were neither interconnected nor inter-conditional with each other and the terms of such transactions are in all material respects comparable with those with other customers and suppliers. Directors confirmed that all of our sales to and purchases from overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

Sales Of Our Products

We have engaged certain U.S. persons and U.S.-origin content (including, U.S. chips and U.S. technology) in our R&D and production process. Based on the classification conducted by our Legal and Compliance Department, our products (including the technology developed by our U.S. R&D team), if subject to Export Administration Regulations (the "**EAR**") of the U.S., would be classified under EAR99. Considering the practicality, cost and internal resources required to wall or determine the exact percentage of U.S. content included in our products, our Legal and Compliance Department proceed sales review assuming all products of us are subject to the EAR, and classified as EAR99.

EAR99 items generally consist of low-technology consumer goods that do not require a license from the U.S. government in most situations. On the basis that during the Track Record Period, (i) we did not have sales to any BIS Lists Entities; (ii) we did not have sales to any entities headquartered in or ordinarily resided in, or owned or controlled by a government of any AT Sanctioned Countries; (iii) we have not engaged in transactions that involve or benefit any "military end-users" or "military end-use;" and (iv) our activities did not involve certain prohibited end-uses set forth in section 744.23 of the EAR, Hogan Lovells International LLP, our U.S. export control legal advisor, is of the view that the export (including in-country transfer) and sales of our EAR99 products are not subject to a license requirement, and did not represent a violation of the U.S. export controls.

OUR RELATIONSHIP WITH NIO

NIO was our largest customer in each period during the Track Record Period. NIO is a pioneer and a leading company in the global smart electric vehicle market, which designs, develops, manufactures and sells smart electric vehicles, driving innovations in next-generation core technologies.

Honour Key Limited is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company. In addition, Glory Summer Worldwide Limited is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Target Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. Mr. Li Bin is a shareholder of NIO which is our largest customer in each period during the Track Record Period. Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in NIO. Save as aforementioned, none of NIO or its shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates. Negotiations of the terms of our sales to NIO were conducted on a transaction-by-transaction basis, and our sales to NIO were priced consistently with those to our other customers.

Our revenue from NIO was US$58.8 million, US$109.8 million, US$146.1 million, US$47.3 million and US$44.8 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively, representing 88.7%, 90.6%, 91.6%, 91.7% and 86.2% of our total revenues during the same periods, respectively. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt our LiDAR solutions on its nine models as of the Latest Practicable Date. We began the volume production of our LiDAR products for NIO since 2022. We have entered into two long-term framework procurement agreements with NIO in 2022 and are the only LiDAR solutions provider supplying NIO as of the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with NIO and there was no interruption or dispute in respect of our cooperation with NIO. However, such long-term framework procurement agreements do not guarantee any sales orders. Given our substantial revenue concentration on NIO, if NIO decides to terminate or decrease the level of its cooperation with us in the future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see "Risk Factors – Risks Related to the Target Group's Business and Industry – We rely substantially on a single customer." The key terms of the framework procurement agreements are summarized below:

The key terms of the agreements primarily include the following.

Term:	The agreements remain effective unless otherwise terminated in writing by mutual agreement of both parties.
Products and pricing:	We supply LiDAR hardware in accordance with technical specifications agreed between us and NIO. Product prices are to be confirmed annually and may be adjusted due to engineering changes or mutual negotiation.
Delivery and acceptance:	NIO issues delivery notices based on its production needs, and we are responsible for on-time delivery, packaging, and delivery risk prior to acceptance. NIO may inspect the products upon delivery and reject non-conforming products.
Warranty and after-sales:	We are responsible for providing repair or replacement services during the warranty period at our own cost. Failure to comply with delivery timelines may result in liquidated damages.
Use of trademark:	We may only use NIO's trademark if separately licensed in writing.
Termination:	The agreements may be amended or terminated upon written consent by both parties.

During the Track Record Period, a significant portion of our revenue was concentrated on NIO, resulting in the majority of our trade receivables as of May 31, 2025 being due from NIO. As such, we cannot assure that we will be able to collect all or any of our trade receivables, or receive timely payment for any unbilled work. Consequently, we are exposed to credit risk arising from such delayed or uncertain collections. See "Risk Factors – Risks Related to the Target Group's Business and Industry – We are subject to credit risk for trade and other receivables and prepayment, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations."

Our Directors are of the view that our Group's business model is sustainable despite our customer concentration. In particular, our Directors believe that the risk of NIO significantly reducing or terminating its cooperation with us is relatively low, based on several factors. First, we have maintained a stable and longstanding relationship with NIO throughout the Track Record Period, partnering with them ever since they elected to incorporate LiDAR solutions into their vehicle models without any material interruptions or disputes. Second, we are currently the only LiDAR solutions provider supplying NIO with LiDAR solutions and the only supplier capable of delivering mass-produced 1,550 nm LiDAR solutions for NIO, which makes us difficult to substitute in the short term. NIO's vehicle models were designed in part based on the data range and depth accuracy provided by our LiDAR solutions, which come as standard configuration in all vehicle models of NIO's NT 2.0 platform. Our solutions have also been selected for standard configuration in NIO's NT 3.0 platform based NIO-branded vehicle models, which we began the volume production in 2025. In this regard, we understand that NIO has limited viable alternative suppliers for the relevant product within its current vehicle production timeline.

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

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Sales of LiDAR products	58,809	99.9	109,750	99.9	146,097	100.0	47,261	99.9	44,787	99.9
Others[(1)]	19	0.1	30	0.1	13	–	6	0.1	4	0.1
Total	**58,828**	**100.0**	**109,780**	**100.0**	**146,110**	**100.0**	**47,267**	**100.0**	**44,791**	**100.0**

Note:

(1) Others primarily include sales of components for LiDAR hardware.

Reasons for Our Customer Concentration on NIO

It is an industry norm to forge close cooperation between OEMs and autonomous product suppliers where both parties are committed to establishing a stable supply relationship. According to CIC, to ensure the stability of autonomous product supply, OEMs often maintain stable and long-term cooperative relationships with its autonomous product suppliers. It is also an industry norm for an autonomous product supplier to derive a substantial portion of its revenue from its major customer(s), especially in their early development stages, according to CIC. This is attributable to the limited product offerings that often characterize this phase, as resources and capabilities are primarily focused on research and development and market expansion. Consequently, companies strategically prioritize relationships with key customer(s), who serve(s) as a stable revenue source, enabling efficient resource allocation toward innovation and scaling operations. Historical trends across comparable industries further reflect this approach, where reliance on major customers is a critical step in establishing market credibility and driving long-term growth.

We believe that the high customer concentration on NIO during the Track Record Period is also attributable to the following factors:

- Customer concentration at early commercialization stage helps improve production and operating efficiency. Such high customer concentration allows us to be more efficient on business development, and allocate more resources to R&D efforts to shore up our technological capabilities, which safeguards our future product diversification and business scale expansion.

- Our Falcon series primarily focuses on the premium BEV market where the number of OEMs was relatively limited. According to CIC, the number of OEMs in China focused on premium BEVs, which was our primary target customers, was very limited. Other than models from Tesla adopting camera solutions, only 0.6 million premium BEVs (passenger BEVs sold at prices above RMB300,000) were sold in the PRC in 2024, as compared to a total shipment of 7.4 million passenger BEVs during the same period. Falcon series selected the short-wavelength infrared laser of a 1,550 nm system as the wavelength for ultra-long-range detection and our dual-axis mirror scanning technology architecture, which we believe is the optimal technology architecture for front-view LiDARs under high-speed driving scenarios requiring long-range detection. The 1,550 nm system supports a longer detection range of 250 meters for 10% reflectivity targets (range is also extendable to future generations). When we started to cooperate with NIO on the development of Falcon series in 2022, the number of OEMs who launched premium BEV models was relatively limited in the market, according to CIC, which also in part led to the customer concentration on NIO.

Risk Mitigation Factors

Our Directors believe that our Group's business model is sustainable despite our customer concentration for the following reasons:

- Our relationship with NIO is mutually beneficial. Our established relationship enables us to better understand NIO's needs and help it progress towards its goals in a more efficient and cost-effective manner. For example, our Falcon series was designed based on NIO Aquila super sensing system. We also launched Robin series product to further satisfy NIO vehicles' wide-FOV detection needs. As the sole automotive-grade LiDAR solution supplier for NIO during the Track Record Period and up to the Latest Practicable Date, we were able to capture the growth of NIO. According to CIC, NIO ranked in the top three in premium electric vehicles in China in terms of sales volume in 2024.

  In addition, our R&D and product development efforts for NIO also strengthens our overall technological capabilities, which improves our product development capabilities for other potential customers. We believe this is expected to contribute to our ability to secure design-wins from other OEMs, expand our business operations, and further strengthen our leading position and competitiveness in the industry.

- According to CIC, the typical lifecycle of a vehicle model (from the launch date to the discontinuation of sales) ranges from approximately two to five years, based on its sales performance. Once the supplier obtains design-wins from the OEM, a significant amount of work is required on both parties to ensure the components can be seamlessly integrated into the vehicle model. Switching suppliers would require repetition of many of such work, which could lead to delays in vehicle launch, production and delivery, and incur excessive switching costs to re-do these work. As such, OEMs typically refrain from replacing key component suppliers during the vehicle model lifecycle absent major quality defects or other material adverse circumstances.

- We have diligently implemented measures to mitigate risks associated with customer concentration. Leveraging our capabilities in product development, marketing, production and commercialization, we have made significant commercialization achievements with customers other than NIO, and are well positioned to capture the tailwind in the global NEV industry. As of the Latest Practicable Date, we had obtained design-wins from another thirteen OEMs and ADAS or ADS companies, focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to

support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics. In addition, our LiDAR solutions have been successfully incorporated and applied in various non-automotive application scenarios, including highway, metro and railways, and mining. We believe these collaborations further enhance our leadership position in the market and support our future growth. With the abovementioned partnership, we believe we have vaulted into the next stage of commercialization of our solutions by delivering more value and shoring up our cooperation with our business partners. See "– Our Competitive Strengths – Growing customer base for automotive-grade LiDAR solutions." As a result of this diversification, our revenue contribution from NIO is expected to decrease moving forward.

Our Directors are of the view that the Target Group's business model is sustainable despite our customer concentration. In particular, our Directors believe that the risk of NIO significantly reducing or terminating its cooperation with us is relatively low, based on several factors. First, we have maintained a stable and longstanding relationship with NIO throughout the Track Record Period, partnering with them ever since they elected to incorporate LiDAR solutions into their vehicle models without any material interruptions or disputes. Second, we are currently the only LiDAR solutions provider supplying NIO with LiDAR solutions and one of the few global suppliers capable of delivering 1,550 nm LiDAR solutions and 905 nm wide-FOV LiDAR solution that meet NIO's performance requirements, which makes us difficult to substitute in the short term. NIO's vehicle models were designed in part based on the data range and depth accuracy provided by our LiDAR solutions, which come as standard configuration in all vehicle models of NT 2.0 and NT 3.0 platform vehicle models of NIO brand, which we began the volume production in 2025. In this regard, we understand that NIO has limited viable alternative suppliers for the relevant product within its current vehicle production timeline.

OUR SUPPLIERS

During the Track Record Period, our suppliers mainly include third-party suppliers which provide various types of components that are adopted in our LiDAR sensor hardware products and provide R&D services. The key components of our products primarily consist of laser sources, transceiver modules, polygon motors, avalanche photodiodes, galvanometers, windows and shells, among others. We primarily work with third-party suppliers in China, and also source certain key components such as TI chips from suppliers overseas including the United States.

We also collaborate with a third-party manufacturer for our Falcon series, where we custom design and outsource the production of sensing and transceiver modules, scanning components, printed circuit board assemblies ("PCBAs"), and other parts. See "– Manufacturing Process." For Jaguar series, we purchase core assembly parts, PCBA, enclosure and many other components. With respect to transceivers, we procure transceiver modules from third-party suppliers, and then internally assemble these modules into transceivers and perform

testing, before sending the transceivers for final assembly into our LiDAR sensor hardware products. We have established stable and strong relationships with key suppliers for components related to the scanning mechanism, laser sources, and transceiver modules for our LiDARs, among other components. We also cooperate with NIO who provides ASIC chip development services.

In 2022, 2023, 2024 and five months ended May 31, 2025, purchases from our five largest suppliers in each period during the Track Record Period in aggregate amounted to US$111.3 million, US$98.6 million, US$102.2 million, and US$29.2 million accounting for 53.1%, 47.8%, 59.0%, and 60.8% of our total purchases, respectively. In the same period of time, purchases from our largest supplier amounted to US$36.2 million, US$49.3 million, US$28.1 million, and US$9.8 million accounting for 17.3%, 23.9%, 16.2%, and 20.4% of our total purchases, respectively.

The following tables set out the details of our five largest suppliers for the periods indicated based on purchases from them during the Track Record Period.

For the Year Ended December 31, 2022

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
1	NIO	A group company incorporated in Cayman Islands in 2014 with authorized share capital of US$1 million that engages in the designing, developing, manufacturing and sales of smart electric vehicles	New York Stock Exchange, Hong Kong Stock Exchange, Singapore Exchange	2022	10 days Bank transfer	R&D service	17.3	36,235
2	Supplier A	A company in Fujian Province founded in 2016 with approximately RMB65.2 million in registered capital that engages in providing optics solution for LiDAR, telecom, industrial lasers, medical devices and instruments	Not listed	2020	90 days Bank transfer	Raw materials	17.2	36,042

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
3	Supplier B	A company in Guangdong Province founded in 2003 with approximately RMB57.5 million in registered capital that engages in the electronic industry chain	Not listed	2021	60 days Bank transfer	Raw materials	7.4	15,469
4	Supplier C	A group company incorporated in Cayman Islands in 2006 with over HK$80 billion of market capitalization that engages in the production of optical components and products	Hong Kong Stock Exchange	2021	45 days Bank transfer	Raw materials	6.2	13,024
5	Supplier D	A company in Jiangsu Province founded in 2019 with approximately RMB123.0 million in registered capital that engages in the production of automotive parts and accessories	Not listed	2021	Prepayment Bank transfer	Raw materials	5.0	10,565
Total							**53.1**	**111,335**

For the Year Ended December 31, 2023

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
1	Supplier A	A company in Fujian Province founded in 2016 with approximately RMB65.2 million in registered capital that engages in providing optics solution for LiDAR, telecom, industrial lasers, medical devices and instruments	Not listed	2020	90 days Bank transfer	Raw materials	23.9	49,266

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
2	Supplier C	A group company incorporated in Cayman Islands in 2006 with over HK$80 billion of market capitalization that engages in the production of optical components and products	Hong Kong Stock Exchange	2021	45 days Bank transfer and notes	Raw materials	9.7	19,966
3	Supplier D	A company in Jiangsu Province founded in 2019 with approximately RMB123.0 million in registered capital that engages in the production of automotive parts and accessories	Not listed	2021	Prepayment Bank transfer	Raw materials	5.3	10,920
4	Supplier E	A company in Jiangsu Province founded in 1998 with approximately RMB1,705.9 million in registered capital that engages in the production of electronic circuits	Shenzhen Stock Exchange	2022	90 days Bank transfer	Raw materials	4.8	9,997
5	Supplier B	A company in Guangdong Province founded in 2003 with approximately RMB57.5 million in registered capital that engages in the electronic industry chain	Not listed	2021	60 days Bank transfer	Raw materials	4.1	8,454
Total							**47.8**	**98,603**

For the Year Ended December 31, 2024

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
1	Supplier E	A company in Jiangsu Province founded in 1998 with approximately RMB1,705.9 million in registered capital that engages in the production of electronic circuits	Shenzhen Stock Exchange	2022	90 days Bank transfer	Raw materials	16.2	28,142
2	Supplier F	A company in Shanghai founded in 2008 with approximately RMB53.0 million in registered capital that engages in the production of optical fiber communication	Not listed	2021	60 days Bank transfer	Raw materials	12.5	21,663
3	Supplier A	A company in Fujian Province founded in 2016 with approximately RMB65.2 million in registered capital that engages in providing optics solution for LiDAR, telecom, industrial lasers, medical devices and instruments	Not listed	2020	90 days Bank transfer and notes	Raw materials	10.6	18,436
4	Supplier C	A group company incorporated in Cayman Islands in 2006 with over HK$80 billion of market capitalization that engages in the production of optical components and products	Hong Kong Stock Exchange	2021	45 days Bank transfer and notes	Raw materials	10.5	18,183
5	Supplier G	A company in Zhejiang Province founded in 2019 with approximately RMB50.0 million in registered capital that engages in the production motors and their spare parts	Not listed	2021	90 days Bank transfer	Raw materials	9.2	15,770
Total							**59.0**	**102,194**

For the five months ended May 31, 2025

Rank	Supplier name	Background	Listing venue	Year of commencement of business relationship	Credit term and payment method	Products/services procured	Percentage of total purchase	Purchase amount
							%	*(US$ in thousands)*
1	Supplier E	A company in Jiangsu Province founded in 1998 with approximately RMB1,705.9 million in registered capital that engages in the production of electronic circuits	Shenzhen Stock Exchange	2022	90 days Bank transfer	Raw materials	20.4	9,809
2	Supplier A	A company in Fujian Province founded in 2016 with approximately RMB65.2 million in registered capital that engages in providing optics solution for LiDAR, telecom, industrial lasers, medical	Not listed	2020	90 days Bank transfer and notes	Raw materials	14.9	7,139
3	Supplier G	A company in Zhejiang Province founded in 2019 with approximately RMB50.0 million in registered capital that engages in the production motors and their spare parts	Not listed	2021	90 days Bank transfer	Raw materials	9.8	4,695
4	Supplier F	A company in Shanghai founded in 2008 with approximately RMB53.0 million in registered capital that engages in the production of optical fiber communication	Not listed	2021	60 days Bank transfer	Raw materials	9.6	4,622
5	Supplier C	A company in Zhejiang Province founded in 2012 with approximately RMB50.0 million in registered capital that engages in the production of automotive lens	Hong Kong Stock Exchange	2021	45 days Bank transfer and notes	Raw materials	6.1	2,898
Total							**60.8**	**29,163**

See "Risk Factors – Risks Related to the Target Group's Business and Industry – Key components in our products come from limited third party suppliers, and we expect to rely on third parties as our strategic suppliers to manufacture a significant portion of our products for the foreseeable future. Interruptions in our relationships with these third parties could adversely impact our business." During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors and their respective close associates or any of our Shareholders who held more than 5% of our issued share capital had any interest in our five largest suppliers.

Supplier Selection and Management

We regularly evaluate our relationships with these suppliers to determine their financial and technical capabilities in meeting our needs. We particularly focus on cooperating with suppliers that have volume production capabilities and experience, including those with supply experience of automotive grade components. This helps ensure availability of our key raw materials, especially as we began to expand the scale of our volume production.

As of the Latest Practicable Date, we had not experienced any material shortage of key raw materials for our products, nor have we experienced significant fluctuations in prices of such raw materials. We purchase raw materials by placing purchase orders with suppliers from time to time based on our business needs. In addition, we continue to cultivate and shore up working relationship with key component suppliers with the aim of securing stable supply and pricing. We are also taking measures to establish a dual-supplier system under which we seek to establish supply relationships with at least two suppliers for critical raw materials and components for our manufacturing. Such initiatives also help ensure stability of raw materials and components supplies, and contribute to our stronger negotiating power, which in turn is crucial to our ability to control our procurement costs and improve gross margin. As of December 31, 2024, we had established the dual-supplier system with respect to suppliers of key components.

The global chip supply shortage in 2022 caused widespread disruptions across various industries, such as automobiles, video games, computers, household appliances and many other. As a result, our costs of purchasing chips increased from US$16,522 thousand in 2022 to US$30,892 thousand in 2023. Our costs of purchasing chips decreased to US$12,519 thousand in 2024, as the chip supply gradually restored. In the five months ended May 31, 2024 and 2025, our costs of purchasing chips was US$7,444 thousand and US$179 thousand, respectively. Our purchases of chips as a percentage of total procurement amount were 7.9%, 15.0%, 7.2%, 11.7% and 0.4% in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively. We procure chips from reputable authorized distributors, chip manufacturers and NIO, and we primarily use the chips in manufacturing our Falcon series. Supply shortage of TI chips, such as the shortage in 2022, did not and is not expected to have material adverse impact to our business, due to various alternatives such as MPS chips and other domestic manufactured chips. As a result, we do not have high reliance to certain limited types of chips. We do not anticipate any issues with chips obsolescence due to its relatively long warranty period, which typically lasts for two to five years in standard storage environment of electronic materials.

We implement various measures to ensure adequate chips supply. We make forecast in advance and provide suppliers with sufficient lead time for chip production or procurement. We conduct rolling forecast updates as needed and request suppliers to provide timely updates on chip preparation. We typically maintain seven days' inventory and materials in process, while adhering to a 2-6 months rolling order preparation cycle. In addition, we strive to use common models of chips across our multiple products, thereby reducing the time required for customization and the risks of overstocking. As our chips are also commonly used in automotive industry by large automotive manufacturers, they are usually in sufficient supply. As we own all the intellectual property rights in the manufacture process of Falcon series, and each of the modules involved in the manufacture process can be sourced from two or more suppliers, we do not believe that we have high reliance on any third-party manufacturers.

Procurement of U.S. Chips

Apart from the TI and Xilinx chips, we do not procure other key components from the U.S. In addition, while the TI and Xilinx chips are U.S. brands, the wafer, packaging and testing sites of these chips are in Taiwan and Southeast Asia, which significantly facilitates our procurement process. Furthermore, we select and procure integrated circuit from chip manufacturers or authorized agents. The integrated circuit is widely used in domestic automobiles and other products, has mature supply chain due to its large demand and has not been materially affected by the export restrictions of the U.S. As a result, we have not experienced and do not expect to experience material adverse impact as a result of the U.S. export control measures.

During the Track Record Period, we procured certain chips subject to the EAR. Such chips are either classified under EAR99 or under the following ECCNs (Export Control Classification Numbers): 3A991.a.ii and 5A992.c. Based on the review of Hogan Lovells International LLP, our U.S. export controls legal advisor, of our activities during the Track Record Period, our procurement of these chips are not subject to a license requirement, and thus such procurement did not represent a violation to the U.S. export controls on the basis listed as follows:

1. EAR99 items generally consist of low-technology consumer goods that do not require a license in most situations.

2. Chips classified under ECCNs 3A991.a.ii and 5A992.c are controlled for anti-terrorism reasons. These items are only subject to a license requirement for export, re-exports or transfers (in-country) to entities designated on the BIS' Entity List, Denied Persons List or Unverified List (the "**BIS Lists Entities**") and Crimea region, Cuba, Iran, Luhansk People's Republic and Donetsk People's Republic regions, North Korea and Syria, as well as Russia and Belarus (collectively, the "**AT Sanctioned Countries**"), or restricted under the U.S. Chip Export Restrictions if intended for use in Mainland China, Hong Kong SAR, or Macau SAR for certain prohibited end-uses set forth in section 744.23 of the EAR. Given that we are not a BIS List Entity, located in the AT Sanctioned Countries or engaged in the prohibited end-uses set forth in section 744.23 of the EAR, our procurement of such chips are not subject to a license requirement.

3. During the Track Record Period, (i) we did not have sales to any BIS Lists Entities; (ii) we did not have sales to any entities headquartered in or ordinarily resided in, or owned or controlled by a government of any AT Sanctioned Countries; (iii) we have not engaged in transactions that involve or benefit any "military end-users" or "military end-use;" and (iv) our activities did not involve certain prohibited end-uses set forth in section 744.23 of the EAR.

Thus, our procurements and sales of chips that are subject to the EAR during the Track Record Period did not trigger the applicable license requirement, thus, did not represent a violation of the applicable U.S. export controls.

For the years ended December 31, 2022, 2023, 2024 and for the five months ended May 31, 2024 and 2025, the amount of U.S. chips consumed and included in our cost of sales were nil, US$4.2 million, US$7.5 million, US$3.4 million and nil, respectively, which accounted for nil, 2.6%, 4.3%, 5.2% and nil of our total cost of sale, respectively.

While our current procurement of U.S. -sourced chips, critical components for our LiDAR solutions, is not restricted by current U.S. export controls, we have proactively carried out extensive researches and evaluations to replace U.S.- sourced chips with Chinese domestically produced ones, thereby strengthening our supply chain resilience. Chinese domestically produced chips with comparable performance and functionality are readily available on the market from at least two Chinese semiconductor companies and can serve as viable substitutes. If needed, this transition can be completed within four months without material additional costs.

The Directors are of the view, and the Joint Sponsors concur, that U.S. export control restrictions have not had, and are not expected to have, a material adverse impact on the Target Group.

Key Terms of Supply Agreements

We typically enter into framework supply agreements with suppliers. There is generally no minimum purchase commitment or price adjustment mechanism. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements with our suppliers. The key terms of the supply agreements primarily include:

Product specifications:	We typically set forth specific product specification requirements for products procured, such as product name, brand, model, quantity and price in the supply agreement.
Term:	The agreement typically has a term of one year and may be renewed upon mutual consent.

Payment and delivery:	We are responsible for timely payment to suppliers within 30 to 90 days of invoice, and suppliers are responsible for delivery of products to our designated location.
Transfer of risks:	The risks transfer to us upon delivery of products.
Warranty:	Suppliers provide two to three years warranties for the supplied products. During the warranty period, for any product quality issue, suppliers are responsible for repairment or replacement free of charge under certain conditions, except for product damage caused by manual error.
Liability:	Suppliers are responsible for losses arising from product quality issues.
Confidentiality:	All confidential information provided by either party shall not be disclosed to any third party without prior written consent.
Termination:	We have the right to terminate the supply agreement if suppliers fail to deliver qualified goods in conformity to product specifications.

MANUFACTURING PROCESS

We have invested significant time and resources in streamlining our production process and developed the manufacturing and testing process internally. Our manufacturing processes and knowledge are key differentiators for us in the market. The product concept and design for manufacturing are considered as part of the product development process.

Our first in-house manufacturing facility in Wuhan, China ceased operations in the first half of 2024 as part of our measures to improve manufacturing efficiency. We completed construction of another in-house manufacturing facility in Suzhou, China in the second half of 2022. The Suzhou manufacturing facility has a floor area of approximately 8,141.3 sq.m. with a lease term ending in 2026. We have also leased new facilities in Deqing and Pinghu, China, which began mass production in February and July 2024, respectively. The Deqing facility has a total floor area of approximately 9,500 sq.m. and a lease term ending in 2029. The Pinghu facility has a total floor area of approximately 13,400 sq.m. and a lease term ending in 2026. The Deqing facilities obtained the IATF 16949 certificate in March 2025 and the Pinghu facilities intend to obtain IATF 16949 certificate in March 2026. During the Track Record Period, we also partnered with a third-party manufacturer to operate a 1,638.5 sq.m. manufacturing facility in Ningbo, China, which was suspended in April 2024. Under this collaboration, we managed the manufacturing process, while the third-party manufacturer provided the facility and workforce. The Company has established three self-owned manufacturing facilities in Suzhou, Pinghu and Deqing. Consequently, we have terminated the

third-party manufacturing cooperation and relocated the Ningbo production line to our Deqing facility. Transitioning from third-party manufacturing to in-house manufacturing enables us to optimize product delivery process, improve capacity utilization and strengthen our direct control over production. As Ningbo and Deqing are both within Zhejiang province, the transition does not have material adverse effect to our business, results of operations or financial performance. The major product of the Suzhou, Deqing, and Ningbo facilities is the Falcon series, while the major product of the Pinghu facility is the Robin series.

The following table sets forth the production capacity in our manufacturing facilities as of the dates indicated.

	As of January 1,			
	2022	2023	2024	2025
Production capacity per year (units)[1]				
Suzhou	100,000	110,000	150,000	150,000
Deqing	–	–	150,000	300,000
Pinghu[2]	–	–	–	300,000
Ningbo[3]	150,000	180,000	180,000	–

Notes:

(1) Production capacity per year as of a certain date refers to the production capacity for the 12 months after such date based on two shifts per day, 10.15 working hour per shift and 25 working days per month, which is in line with our production operation. Our production facilities in Suzhou, Deqing and Ningbo, China are designed for our 1,550 nm wavelength LiDAR and our production facility in Pinghu is designed for our 905 nm wavelength LiDAR.

(2) Our Pinghu facility was under construction in 2024. The production capacity of our Pinghu facility as of June 30, 2024 was 200,000 units per year, which further increased to 300,000 units per year as of January 1, 2025.

(3) Our Ningbo facility suspended production in April 2024.

The following table sets forth the actual production volume and utilization rate in our manufacturing facilities during the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,
	2022	2023	2024	2025
Actual production volume (units)				
Suzhou	13,448	81,328	108,839	20,938
Deqing	–	–	90,580	48,852
Pinghu	–	–	10,583	16,237
Ningbo	63,880	78,919	25,387	–
Utilization Rate[1]				
Suzhou	13.4%	73.9%	72.6%	33.5%
Deqing	–	–	60.4%	39.1%
Pinghu	–	–	10.6%	13.0%
Ningbo	42.6%	43.8%	–	–

Notes:

(1) Utilization rate equals actual production volume divided by designed production capacity for the indicated period.

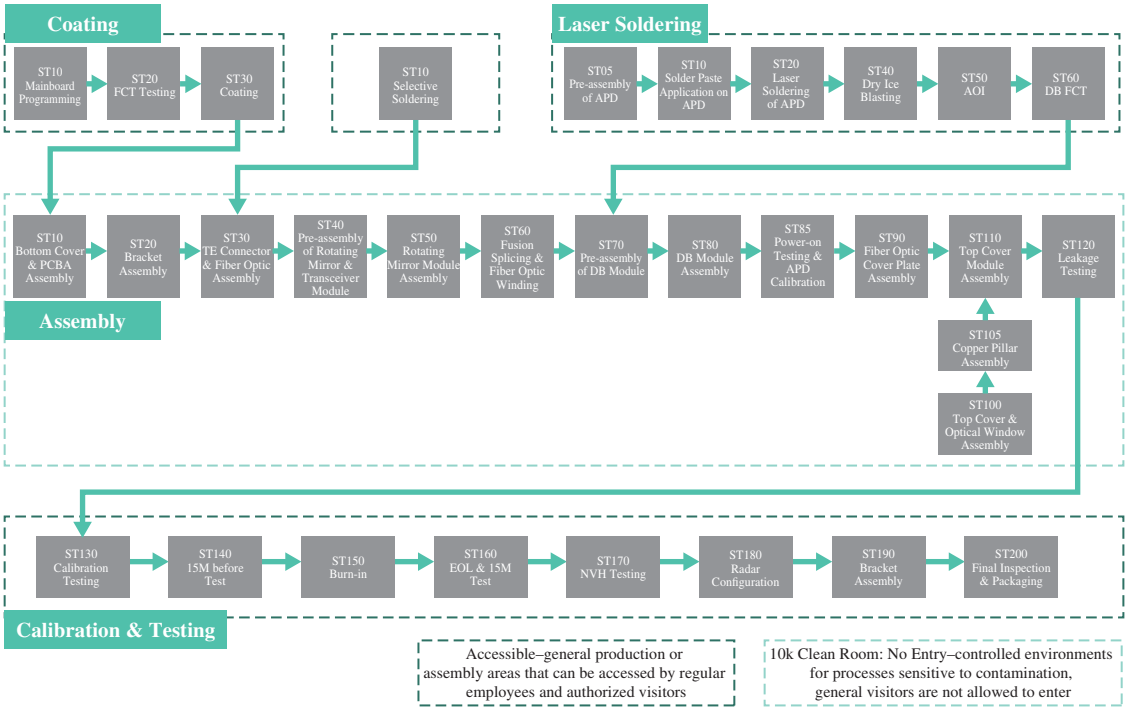
(2) The Deqing facility began mass production in February 2024.

(3) Our Pinghu facility mainly manufactures our 905 nm wavelength LiDAR. The Pinghu facility began trial production in July 2024. For the year ended December 31, 2024, the designed production capacity is calculated as 50% of designed annual production capacity as of June 30, 2024.

With these manufacturing facilities, our aggregate production capacities in China have reached approximately 750,000 units per year as of May 31, 2025. We do not outsource our manufacturing activities to third-party vendors since April 2024.

The following flow chart illustrate the main steps of our manufacturing process.

Falcon Flowchart



INVENTORY MANAGEMENT

Our inventories consist of raw materials, work in progress, and finished goods. Our products are generally sold on a first-in-first-out basis. To reduce the risk of inventory backlogs, we regularly review our inventory level. We also do regular physical inventory counts and stock checks to identify damaged products or expired or near expired products and to dispose of or stockpile these products. We manage our inventory level by monitoring in real time our production activities and sales orders and also taking into consideration any emerging trends through discussions with our sales and marketing department.

As of December 31, 2022, 2023, 2024 and May 31, 2025, our inventories amounted to US$32.1 million, US$37.6 million, US$20.5 million and US$22.1 million, respectively. During the Track Record Period, we did not experience any material shortage of inventory. For details, see "Financial Information of the Target Group – Discussion of Selected Items from the Consolidated Balance Sheets – Assets – Inventories."

Our quality management department and warehouse personnel work in tandem to ensure the quality of our raw materials and product inventory. The quality management department is tasked with inspecting and examining raw materials and products before they are accepted into inventory. The warehouse personnel play a crucial role in recording inventory to ensure the traceability of our raw materials and products. They are responsible for the regular storage, maintenance, and inspection of the inventory, as well as warehouse maintenance. Designated warehouse personnel conduct regular inspections of the inventory in accordance with the required storage and maintenance conditions of the relevant inventory.

QUALITY ASSURANCE

We have established a comprehensive set of quality assurance policies on suppliers and raw materials and components, the manufacturing process and finished goods. Our procurement policies in selecting suppliers and raw materials and components focus on suppliers' credentials and track records, as well as the quality of each batch of raw materials and components they provide. We also have a series of policies on the manufacturing processes, production process control procedure, faulty product control, verification, rework and repair process, error-proofing management process, change point management process and scrap control, among others. We also have detailed procedures for examining our finished goods before shipping to customers, which include production testing, firewall inspection and requalification test procedures. We believe these policies help ensure consistently high quality throughout our procurement, manufacturing and sales cycle. We typically provide a warranty on our products with periods ranging from one to three years. We did not have any product recall, material accidents or safety issues relating to our products or manufacturing process during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Risk Management

We recognize that risk management is critical to the success of our business. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of our industry, our ability to develop and manufacture our products, and our ability to compete with other market participants. We also face various financial risks. In particular, we are exposed to credit, liquidity, interest rate and foreign exchange risks that may arise in the normal course of our business, results of operations, financial condition and prospects.

We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our Audit Committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by us and reported to our Directors.

The following key principles outline our approach to risk management and internal control:

Our senior management oversees and manages the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) monitoring the most significant risks associated with our business operations and our management's handling of such risks; and (iii) ensuring the appropriate application of our risk management framework across our group. Our legal and internal control personnel are responsible for developing and implementing our risk management policy and carrying out our day-to-day risk management practice, such as assessing risks on key business operations, advising risk responses and optimizing risk management policies. In order to formalize risk management across our group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. During the Track Record Period, we regularly reviewed and enhanced our internal control system. As of the Latest Practicable Date, there were no material outstanding issues relating to our internal control. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our operations, such as intellectual property protection and ESG initiatives. We provide periodic training on these measures and procedures for our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control team for each stage of the produce development process.

- Our Directors (who are responsible for monitoring our corporate governance), with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations upon Listing.

- Upon the Listing, we will establish the Audit Committee which shall (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee our risk management and internal control procedures.

- We will engage a compliance adviser to provide advice to our Directors and management team upon Listing regarding matters relating to the Listing Rules. Our compliance adviser is expected to, inter alia, ensure our use of the proceeds from the De-SPAC Transaction complies with the section entitled "Future Plans and Use of Proceeds" in this circular after the Listing and provide support and advice regarding the requirements of relevant regulatory authorities on a timely basis.

- We will engage a PRC legal adviser to advise us on and keep us abreast with PRC laws and regulations upon the Listing. We will continue to arrange various training to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, members of our senior management and relevant employees on the latest applicable laws and regulations.

- We maintain strict anti-corruption policies among our sales and marketing staff and distributors in our sales and marketing activities. We have issued anti-fraud and anti-bribery management measures and anti-money laundering policies in place, which clearly define the key areas and key steps of our anti-fraud function and the responsibilities and authorities of relevant departments in carrying out our anti-fraud function, and set up the internal protocols for reporting, investigation and remedy procedures, reporting channels and whistle-blower protection mechanisms. We also monitor our sales and marketing personnel to ensure their compliance with applicable promotion and advertising requirements.

- We maintain a comprehensive treasury policy, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management, separation of capital management responsibilities, liquidity management and follow-up and analysis of the implementation of capital plan.

- Our Directors believe that compliance creates value for us. We are dedicated to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across our group, we conduct regular internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.

- We will comply with the Corporate Governance Code. We have established three board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, which will be adopted upon Listing, with respective terms of reference in compliance with the Corporate Governance Code.

- We have adopted internal protocols governing both the confidentiality and privacy for user personal information and data. We have a standard operation procedure in place for data collection, data storage as well as data access. Such data access is on an as-needed basis for internal employees, and external access is not allowed and requires written approvals from the head of the quality control department.

EMPLOYEES

The following table sets forth a breakdown of the number of our employees as of May 31, 2025 by work function and geographical location.

Research and Development	284
Sales and Marketing	39
General and Administrative	115
Manufacturing	94
Total	**532**
China	486
Outside China	46
Total	**532**

PRC labor laws govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other conditions of employment for most of our employees. Subject to certain exceptions, PRC law generally requires an increase in pay or compensation for termination of employment contracts. As required by PRC laws and regulations, we participate in housing fund and various employee social security plans that are organized by the regional government authorities, including housing, pension, medical, work-related injury, maternity insurance and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. None of our employees currently work under any collective bargaining agreements, and we have had no labor disputes with our employees. We consider our employee relations to be in good standing.

We hire outsourced employees for certain entry-level non-technical positions. We regularly review the qualifications of outsourcing vendors and specify the rights and obligations of outsourcing vendors, outsourced employees and us in the outsourcing agreements. The social insurance and housing provident fund of such outsourced employees are borne by the outsourcing vendors rather than us.

Recruiting

Based on our strategic development plan, we formulate personnel planning and recruitment plans. We have developed detailed policies governing our recruitment process. In the course of the recruitment process, we identify the talents most suitable for our development needs through multiple channels, mainly including online recruitment, internal referrals, campus recruitment and local job fairs. We enter into standard employment contracts, confidentiality agreements and non-competition agreements with our employees.

Remuneration and Benefits

We believe in providing our employees with attractive remuneration packages and a dynamic work environment that can motivate our employees to grow rapidly and create value. We offer employees competitive compensation and benefits, including monthly salaries, incentive plans and opportunities for employee learning and development. Our incentive plans include performance-based bonuses, which are linked to performance evaluations and organizational performance. In terms of benefits, we provide employees with various health and social insurance and housing provident fund contributions.

Training

We focus on the career development of all employees. We have established a systematic training management system providing corresponding training programs specialized for the needs and requirements of different employees. Our employee training system mainly consists of new employee orientation training, professional skills training, leadership training and general skills training.

Onboarding Training. We provide company-level training for all new employees covering our corporate culture, rules and regulations and production safety. The departments are responsible for the training for new employees on departmental structures, responsibilities, operational procedures and performance standards.

Professional Skills Training. Our professional skills training focuses on the employees' job responsibilities, required professional skills and internal departmental sharing to enhance their professional capabilities.

Leadership Training. Our leadership training focuses on corporate culture, corporate strategy, team management, talent development, market insights, etc., empowering middle level and key personnel with leadership responsibilities.

General Skills Training. General skills training refers to the training on skills that are not specific to a profession or job type, aiming to provide employees with essential work methods and abilities, such as laser security knowledge.

PROPERTIES

We have leased a number of properties in China and the United States. Our dual principal executive offices are located in the Silicon Valley of California, the U.S. and in Suzhou, China. The lease for our executive office in the United States will expire in December 2027. We occupy our Suzhou executive office through five different leases, which will expire from May 2026 to July 2026. The total gross floor area of our principal executive offices is over 5,676.1 sq.m. In addition, we conduct research and development operations at sites in Suzhou and Shanghai in China, as well as in Sunnyvale, California in the United States. Some of these facilities also host our sales and general administrative functions. We also lease other offices in Shanghai in China and in Frankfurt in Germany for our sales and general administrative functions. We believe that our office space is adequate for our current needs and, should we need additional space, we believe we will be able to obtain additional space on commercially reasonable terms.

The following table sets forth a summary of the properties leased by us as of the Latest Practicable Date. None of our properties were used as the collateral for mortgages. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We will negotiate with our landlord for the renewal of the lease agreement that will expire within three months and we do not anticipate undue difficulty in renewing our leases upon their expiration.

Location	Actual usage	Area (sq.m.)	Ownership/ Leased	Term/Expiry Date
Pinghu, China	Manufacturing	13,375.8	Leased	December 31, 2026
Silicon Valley, California, U.S.	R&D operations and office	1,971.6	Leased	December 31, 2027
Suzhou, China	Office	1,901.0	Leased	May 7, 2026
Suzhou, China	R&D operations and office	1,803.5	Leased	July 24, 2026
Shanghai, China	Office	258.8	Leased	October 31, 2026
Frankfurt, Germany	Office	343.0	Leased	April 30, 2027
Suzhou, China	Manufacturing	3,177.5	Leased	April 30, 2026
Suzhou, China	Manufacturing	2,326.9	Leased	July 19, 2026
Suzhou, China	Manufacturing	2,636.9	Leased	June 14, 2026
Deqing, China	Manufacturing	9,457.4	Leased	August 31, 2029
Wuxi, China	R&D operations and office	17,000.0	Leased	October 6, 2028

We are subject to certain risks related to our leased properties. Although we have reached out to our lessors for their necessary support with regard to the filing of the lease agreements, as of the Latest Practicable Date, we and our lessors failed to register eight out of nine lease agreements with relevant governmental authorities due to various reasons, including without limitation, the failure or unwillingness of the lessors to provide relevant documents. Although failure to register the lease agreements does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties, which may negatively affect our ability to operate our business covered under those leases. In addition, we may be required by relevant PRC governmental authorities to register such lease agreements within a prescribed timeframe, and failure to do so may subject us to fines. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease agreement. As of the Latest Practicable Date, we had not been subject to any penalties arising from the non-registration of lease agreements. Our Directors are of the view that the foregoing non-compliances will not have a material adverse impact on the our business, results of operations, financial condition and prospects. However, we cannot assure you that we would not be subject to any penalties and/or requests from the relevant governmental authorities to fulfill the registration requirements, which may increase our costs in the future. See also "Risk Factors – Risks Related to Doing Business in China – We are subject to risks associated with our leased properties."

As of May 31, 2025, none of the properties held by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this circular 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 require a valuation report with respect to all our Group's interests in land or buildings.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. During our ordinary course of business, we maintain a variety of insurance types, such as management liability insurance to cover exposures faced by directors, officers and business entities that arise from performing their work duties, umbrella insurance to cover liabilities arising out of bodily injury and property damage, personal and advertising injury, employee healthcare and life insurance, commercial auto insurance to cover liabilities arising out of our use of automobiles, and product liability insurance to cover potential damages caused by our products, among other insurance that we carry.

DATA SECURITY AND PRIVACY

As our customers are OEMs and their suppliers instead of individual consumers, we do not collect personal information or data for use in our ordinary course of business. Our LiDAR solutions collect point cloud data in order to (i) help our customers test and deploy LiDAR solutions; (ii) respond to customer feedback, inquiries, and changes in demands; and (iii) train algorithms, among other uses. Our non-automotive LiDAR solutions procure roadside point cloud data for our customers. Such point cloud data are not capable of identifying personal information such as human appearance or license plate information, and are desensitized by third-party service providers before further uses by our customers or by us. Our automotive LiDAR solutions, working in conjunction with other sensors such as cameras and GPS systems, are typically equipped on automobiles to collect point cloud, visual and GPS data, which are first sent to licensed service providers for desensitizing processes to make sure that the processed data are not personally identifiable and that the further use of processed data comply with relevant laws and regulations. The desensitized data are then sent to us for internal uses such as algorithm training.

We have established a series of the following IT network security and data protection policies:

- *Overall standards and personnel management policy*: includes standards on uses of our IT system by internal users, such as account setup, authorization, anti-virus systems, email usage, software and data usages, and data storage, among others. This policy also designates specific personnel responsible for managing and monitoring the overall network and data security matters;

- *Network security policy:* includes mechanism on the monitoring of network operations, retention of logs, prevention of loopholes and virus attacks;

- *Data security policy:* includes encryption protocols and detailed policies on proper personnel access authorization; and

- *Access control policy*: includes procedures for the grant, monitoring, and termination of access to our OA system to ensure access to our IT system and data are restricted to authorized personnel only. It also provides for procedures to document bulk export of data to increase traceability and accountability.

During the Track Record Period and up to the Latest Practicable Date, we are in compliance with relevant laws and regulations in data security and privacy protection in all material aspects.

Our PRC legal adviser is of the view that our operation of business complies with the Provisions on Management of Automotive Data Security (Trial) ("Automotive Data Security Provisions") and other applicable PRC laws on cybersecurity and data security in all material aspects on the basis that:

(i) we are not involved in the processing of personal information and important data involved during the design, production, sales, usage and maintenance of vehicles ("Vehicle Data") which is regulated under the Automotive Data Security Provisions.

During the product design/upgrade and data training phase, personal information (such as the face image, license plate information, etc.) and important data (such as the passenger flow and vehicle flow; over 100,000 individuals' personal information) will be collected and de-sensitized by the licensed service providers while we will only obtain the sliced point clouds without personal information and important data under the Automotive Data Security Provisions. When the LiDAR is incorporated on vehicles and used by end users, the OmniVidi software to process the data generated by the LiDAR is deployed locally by our customers (such as OEMs) and point cloud data collected by the LiDAR is also stored locally by our customers. We may receive point cloud data provided by our customer in order to (i) help customers test and deploy LiDAR solutions; (ii) respond to customer feedback, inquiries, and changes in demands; and (iii) train algorithms when authorized by customers, among other uses. No personal information of drivers, passengers, or pedestrians or important data will be contained in such point cloud data provided to us;

(ii) during the Track Record Period and up to the Latest Practicable Date, we had not received any inquiry, request or investigation regarding the report of security assessment for processing important data or the annual report of vehicle data security management as required under the Automotive Data Security Provisions;

(iii) we had established a series of cybersecurity and IT security policies, including Computer Software Cybersecurity Management Procedures, Computer Hardware Management Procedures, Emergency Response Plan on Cyber and Information Security Incident and Cyber and Data Security Management Policies, as well as IT Policy and Security Rules on compliant usage, access control, confidentiality and governance structure, etc. We have also implemented the relevant technical measures to ensure cyber and data security, including network operation monitoring, log retention and audit, data back-up, deploying anti-virus software, firewall, bastion host, anti-attack security protection software and vulnerability security awareness platform;

(iv) we have established in its Cyber and Data Security Management Policy, the general data protection principle, data compliance standards from data processing lifecycle perspective, classified data management procedures, and procedures regarding third party data management and training;

(v) as our customers are OEMs and their suppliers, instead of individual consumers, we do not collect personal information or data for use in its ordinary course of business; and

(vi) during the Track Record Period and up to the Latest Practicable Date, we had not received any warning or sanction regarding cybersecurity or data security from any PRC governmental authorities nor been involved in any inquiry and investigations regarding cybersecurity or data security made by any PRC governmental authorities.

We store within China the business contacts' information of its Chinese customers and the China-sourced point cloud data. We do not transfer personal information of its customers outside of China during its ordinary course of business.

We use third-party cloud storage in Japan to manage its vendor contact persons' basic information including name, company and contact means. While the HR system of Chinese employees is hosted within China, the employees' basic information such as name, contact means is used to create account on overseas third-party SaaS systems, such as Microsoft Outlook, to facilitate global communication and performance of duties. We are therefore subject to Chinese regulations and rules on cross-border transfer of personal information.

In addition to the Personal Information Protection Law (PIPL), the PRC has also released rules subordinated to the PIPL including the Measures for the Security Assessment for Cross-border Data Transfer, the Measures for the Prescribed Agreement for Cross-Border Transfer of Personal Information, the Provisions on Promoting and Regulating Cross-border Data Flows and corresponding submission/filing guidelines for the implementation of cross-border data transfer compliance mechanisms. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows, or the "Provisions on Data Flows", effective on the date of promulgation. The Provisions on Data Flows provide several exemptions from undergoing security assessment, obtaining personal information protection certification, or entering into prescribed agreement for cross-border transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor transfers personal information overseas for the necessity of implementing cross-border HR management in accordance with labor rules and regulations established by law and collective contracts signed in accordance with law and "where a data processor, other than CIIO, has cumulatively transferred overseas the personal information (excluding sensitive personal information) of fewer than 100,000 individuals since January 1 of the current year" ("**De-minimis Exemption**"). The Provisions on Data Flows prevail over the Security Assessment Measures and Provisions on Prescribed Agreement for any discrepancies including the thresholds listed above.

Considering the following matters, our PRC legal adviser is of the view that we are eligible for the De-minimis Exemption under the Provisions on Data Flows and therefore can be exempted from governmental filing/certification/approval procedures:

(i) we have not been approached and designated as the CIIO by any Chinese authorities;

(ii) our cross-border transfer of personal information in the current year concerns general personal information of vendor contact persons and employees and no sensitive personal information is concerned, and the number of vendor contact persons and employees concerned in the transfer is around 3,000, which is far below the 100,000 threshold; and

(iii) no cross-border transfer of important data is involved. The Provisions on Data Flows explicitly state that data processors are not required to conduct data security assessments for cross-border data transfers if the concerning data has not been notified or published as important data by relevant departments or regions. As advised by the PRC legal adviser, considering the data it transfers overseas has not been notified by authorities as important data, nor have we been aware of any publicized catalogue that covers the data it transfers overseas, we are of the view that it is not required to apply for governmental filing/certification/approval procedures in this regard.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Adviser, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations. Such licenses, approvals and permits remained in full effect, and there is no legal impediment to their renewal.

The following table sets forth our material licenses, approvals and permits.

License/Permit	Holder	Grant Date	Expiration Date
Pollutant Discharge Permit	Tudatong (Pinghu) Co., Ltd. (圖達通智能科技(平湖)有限公司)	November 7, 2024	November 6, 2029
Pollutant Discharge Permit	Tudatong (Deqing) Co., Ltd. (圖達通智能科技(德清)有限公司)	October 20, 2023	October 19, 2028
Pollutant Discharge Permit	Tudatong (Suzhou) Co., Ltd. (圖達通智能科技(蘇州)有限公司)	September 11, 2023	September 10, 2028

Automotive-grade Certifications

In order to conduct volume production of automotive-grade LiDAR, LiDAR suppliers must follow strict automotive standards and requirements. Specifically, a LiDAR production line's compliance with the automotive standard IATF 16949 is a precondition to supplying LiDAR products to automotive customers. Developed by the International Automotive Task Force, the IATF 16949 certification is the most pervasively used global quality management standard for the automotive industry. We obtained IATF 16949 certificate for our Ningbo facility in August 2023 and for our Suzhou facility in February 2024. The Deqing facilities obtained the IATF 16949 certificate in March 2025 and the Pinghu facilities intend to obtain IATF 16949 certificate in March 2026. We also implement ISO 26262 functional safety standards and other automotive-grade reliability specifications.

The automotive industry requires extremely high product consistency and emphasizes various product reliability benchmarks. The compliance of our production lines with automotive-grade certification is a testament to our product design, research and development and production processes.

LEGAL AND COMPLIANCE MATTERS

Legal Proceedings

We may from time to time be involved in contractual or other disputes or legal proceedings arising out of the ordinary course of business or pursuant to governmental or regulatory enforcement actions.

During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our Directors were involved in or subject to any litigation, arbitration, administrative proceedings, claims, damages or losses which would have a material adverse effect on our business, results of operations, financial position and prospects as a whole. As of the Latest Practicable Date, save for the ongoing legal proceedings from Hesai Group, we were not aware of any pending or threatened material litigation, arbitration or administrative proceedings against us or any of our Directors, which individually or as a whole would have a material adverse effect on our business, results of operations, financial position and prospects.

On October 29, 2025, we received notifications regarding a total of four patent infringement lawsuits filed against us by Hesai Group at the Ningbo Intermediate People's Court in Zhejiang Province, China. These include one invention patent and three utility model patents. The lawsuits target our Robin E1X solutions, requesting the court to order us to immediately cease infringing the involved patents and compensate for total infringement damages of RMB19.8 million. As of the Latest Practicable Date, the lawsuits had not yet entered the substantive hearing stage and we are actively preparing our defense.

As of the date of this circular, there is no material adverse effect resulted from the lawsuits towards our daily operation including research and development, manufacture and sales. We have not received any injunctions prohibiting the manufacture and sale of our Robin E1X or the use of our technologies.

We were advised by our Litigation Counsels, based on their legal analysis of the currently available facts and evidence, that the possibility for Hesai Group to prevail in the lawsuit is highly unlikely, because the allegations and claims from Hesai Group are substantially without merit, and our Directors believe that it is not probable that the lawsuits would lead to a cash outflow of us and therefore, no provision has been or will be made for the lawsuits in our consolidated financial statements.

In the highly unlikely event that we are obliged to make the payment of an aggregate of RMB19.8 million to Hesai Group as damages and cease to manufacture and sale of our Robin E1X, our Directors consider that our operation and financial performance would not be materially affected given that (i) the potential compensation is not expected to have material adverse impact on us, which only represents approximately 1.7% of our total revenue for 2024; (ii) any potential exposure to customer compensation is not expected to be material, due to the mitigating factors: (a) the customers could source LiDARs from alternative suppliers, and (b) the existing contracts with such OEM customers are procurement framework agreements that do not impose fixed delivery commitment; and (iii) the volume production and delivery of Robin E1X solution commenced in October 2025 and the majority of our revenue will be generated from the sales of our Falcon solutions.

The Directors are of the view that the lawsuits will not have a material adverse effect on our business, financial condition or results of operation as a whole, on the basis that (i) as advised by our Litigation Counsels, based on their legal analysis of the currently available facts and evidence, the possibility for Hesai Group to prevail in the lawsuits is highly unlikely, because the allegations and claims from Hesai Group are substantially without merit; and (ii) in a worst scenario, the lawsuits will not have material adverse effect on the operation and financial condition of us.

Based on the legal opinion of our Litigation Counsels and the view and the representations of ours and our Directors, after consultation with, Jingtian & Gongcheng, the Joint Sponsors' legal advisors as to PRC law, who concurs with the view of our Litigation Counsels in relation to the aforesaid lawsuits, as of the Latest Practicable Date, nothing had come to the attention of the Joint Sponsors that would cause them to cast doubts on the reasonableness of our Directors' view in any material respect that the aforesaid lawsuits will not have a material adverse effect on our business, financial condition or results of operation as a whole.

Non-Compliance Incidents

We are committed to complying with the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not have non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business and operation as a whole.

During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in all material respects.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall and return.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We proactively address environmental conservation and acknowledge the imperative of responding to climate-related challenges. We integrate ESG principles comprehensively within our operational and strategic frameworks. Our commitment extends to minimising our ecological impact, fostering an inclusive and diverse workplace, and maintaining rigorous corporate governance standards. We believe that our dedication to ESG practices not only underpins our enduring success but also catalyses beneficial social and environmental transformations. By doing so, we aim to contribute to a more secure and sustainable future for forthcoming generations.

ESG Governance

Our Board bears ultimate responsibility for formulating, adopting, and periodically reviewing our Environmental, Social, and Governance (ESG) vision, policies, and objectives. It is also tasked with the ongoing assessment and management of ESG-related risks and opportunities. To ensure robust governance, the Board may periodically revisit our strategy, targets, and internal controls, engaging independent third-party consultants as necessary to comprehensively evaluate ESG risks. Our Board will make informed decisions to adjust our strategies and control measures, thereby effectively minimising potential risks.

In order to support our Board in overseeing ESG governance, monitoring ESG-related performance and targets, adjusting ESG strategies as necessary, and supervising the compilation of the ESG disclosure, we commit to establishing an ESG Committee upon the Listing Date. The ESG Committee consists of three independent non-executive Directors of the Successor Company, namely, Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel. It will act as the decision-making level for ESG matters. Its duties include, but are not limited to, monitoring and reviewing our ESG strategy and targets, monitoring ESG risks and climate-related risk management mechanisms and regularly assessing their effectiveness, evaluating ESG and climate-related opportunities in accordance with our ESG-related policies, and reviewing existing progress against ESG goals and targets and reviewing relevant disclosures.

We will also establish an ESG working group ("ESG Working Group") upon the Listing Date, consisting of representatives from different departments. The ESG Working Group will help implement ESG-related policies and strategies approved by the ESG Committee and report on preparing the ESG disclosure to the ESG Committee annually. Moreover, the ESG Working Group will be responsible for establishing and maintaining communication channels with key stakeholders and evaluating and prioritising material ESG-related issues through materiality assessment.

Furthermore, our Board will closely follow and monitor the most recent regulations about ESG disclosure and regulatory compliance. For example, we are aware of the ESG standards set forth by the Hong Kong Stock Exchange, and our Board will assess the quality and content of the ESG disclosure following the Listing Date to verify compliance with these requirements.

Materiality Assessment

We have undertaken a materiality assessment with the aid of an external consultant to identify and prioritise key ESG topics. This assessment was guided by the requirements of the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") in Appendix C2 of the Listing Rules, alongside insights from the latest industry trends and peer benchmarking. The assessment revealed eight highly material issues:

- Privacy and Data Security
- Business Ethics
- Supply Chain Management
- Customer Service
- Research and Innovation
- Intellectual Property Protection
- Product Quality and Safety
- Labour Practices

Stakeholder Engagement

We prioritise effective communication with our stakeholders, employing various methods to engage with them and understand their expectations and concerns. Our approach ranges from informal day-to-day interactions and meetings to more formal mechanisms. We utilise corporate announcements and investor conferences to ensure a comprehensive understanding of stakeholder perspectives and to address their feedback proactively. This multi-faceted engagement strategy allows us to maintain open lines of communication and respond effectively to stakeholder needs.

Environmental Protection

We always prioritise environmental protection as the key to sustainable corporate development. During our production process, wastewater, waste gas, and solid waste are regularly discharged. We strictly comply with national and local environmental protection laws and regulations, actively practise the concept of green development, and integrate environmental management into all aspects of our business operations, striving to minimise the impact of our production and operational activities on the environment. For example, we are subject to, among others, the Law of the PRC on Environmental Protection (《中華人民共和國環境保護法》), the Law of the PRC on Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), the Law of the PRC on Prevention and Control of Environmental

Noise Pollution (《中華人民共和國環境噪聲污染防治法》), the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》). We must follow the relevant environmental protection laws and regulations, and any changes to societal trends or political policies on ESG could have a materially negative effect on us. The Board is focused on ensuring that our production emissions, noise control, wastewater treatment, waste gas treatment, and solid waste management adhere to all applicable national and local government legislation and policies. As of the Latest Practicable Date, we did not receive any notifications or warnings and were not subject to any fines or penalties in relation to any breach of any applicable environmental laws or regulations that could have a material adverse effect on our production. We were in compliance in all material respects with the relevant PRC environmental laws and regulations during the Track Record Period.

Air Pollutant Management

Based on our current production processes, we have identified that welding, dry ice cleaning, plasma cleaning, coating, curing, wiping, and gluing may generate waste gas. In response, we have taken a series of measures to control this. Firstly, we strengthen the management of raw materials that can generate air pollution to prevent leakage and pollution. Secondly, we improve the collection efficiency of waste gas, reduce unorganised emissions, and ensure the removal rate of waste gas purification devices to reduce environmental pollution caused by waste gas.

The Equipment Management Department is responsible for the regular maintenance of air pollution collection and disposal facilities to ensure that waste gas emissions meet environmental protection standards. If any abnormality occurs in the facilities, production must be suspended, and repairs must be reported promptly. Production can only resume after repairs are completed. The Environmental Health and Safety ("EHS") Department is responsible for contacting qualified monitoring agencies to conduct annual waste gas emission monitoring, evaluating and confirming the test results, as well as retaining the monitoring reports. At the same time, the EHS Department regularly conducts supervisory inspections of waste gas collection and disposal facilities and promptly requires the responsible department to complete rectifications if problems are found.

The following table sets forth indicators for air pollutant management for the periods indicated:

Indicator[(1)]	Unit	2022	2023	2024
NO_x	kg	5.93	5.93	6.19
PM	kg	0.29	0.29	0.31
SO_x	kg	0.08	0.08	0.08

Note:

(1) The figures presented in the table are derived by calculating the monthly average based on the total mileage recorded during the Track Record Period, which is then used to determine the corresponding metrics.

Waste Management

We have established a comprehensive waste management system, clarified the division of responsibilities of each department, and ensured that waste is properly collected, stored, transferred, and disposed of. The EHS Department is responsible for preparing the hazardous waste management plan, clarifying the categories, generation areas, collection methods, disposal processes, and destinations of annual hazardous waste, and supervising the legal disposal of hazardous waste.

In the process of waste disposal, we follow the principles of reduction, resource utilisation, and harmlessness. Priority is given to the recycling of waste to reduce the burden on the environment. For waste that cannot be directly utilised in the factory, we look for legal recycling channels. We require that the disposal process should not cause secondary pollution to the environment and give priority to recycling by material manufacturers or suppliers.

To strengthen waste management, the EHS Department regularly inspects the collection, transfer, storage, and disposal of hazardous waste to promptly identify and correct problems. Each department conducts monthly inspections on the classified management of waste within its scope of responsibility to ensure the effective implementation of the management system.

The following table sets forth indicators for waste management for the periods indicated:

Indicator	Unit	2022	2023	2024
Non-hazardous Waste				
General domestic waste	tonne	24.71	38.02	34.85
Paper consumption	tonne	4.37	35.04	29.58
Stationeries	kg	12.00	12.00	12.00
Others (Plastic, rubber, etc.)	tonne	13.01	53.52	67.96
Hazardous Waste				
Batteries	kg	6.00	6.00	6.00
Toner cartridges	piece	15.00	25.00	22.00
Computer accessories	kg	2.00	4.00	7.00

For recyclable waste materials such as packaging cartons, we prioritise selling them to professional waste recycling companies for secondary use, rather than simply discarding them, to maximise the resource utilisation of waste.

Indicator	Unit	2022	2023	2024
Recycling of Non-Hazardous Waste				
Paper	tonne	3.17	33.36	28.26
Others (Plastic, rubber, etc.)	tonne	13.01	53.52	67.96

Water Resource Management and Wastewater Treatment

We have established a comprehensive water resource management system and clarified the responsibilities of each department. The EHS Department is responsible for communicating with the relevant governmental authorities and conducting water pollution discharge testing to ensure that wastewater discharge into the municipal sewage system meets the standards. The Equipment Management Department is responsible for the daily maintenance of drainage facilities to ensure their normal operation. The EHS Department regularly monitors water consumption, pays attention to the amount of wastewater generated and related discharge indicators, and promptly identifies and solves problems. At the same time, we raise the water-saving awareness of all employees through publicity and education, encouraging them to develop good water-use habits in their daily work.

The following table sets forth indicators for water source management and wastewater treatment for the periods indicated:

Indicator	Unit	2022	2023	2024
Municipal water use	m^3	3,066.00	4,866.00	5,531.00
Bottled water use	m^3	15.00	12.00	12.00
Water use intensity	m^3/m^2	0.17	0.09	0.10

Energy Resource Management

We strictly comply with the requirements of the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and other relevant laws. Gasoline consumption comes from the vehicles we own. Electricity is the key contributor to our energy use and primary indirect source of greenhouse gas (GHG) emissions.

The following table sets forth indicators for energy source management for the periods indicated:

Indicator	Unit	2022	2023	2024
Gasoline consumption[(1)]	litre	4,832.47	4,832.47	4,948.01
Electricity consumption	kWh	706,551.00	3,266,914.00	7,005,301.00
Electricity consumption intensity	m^3/m^2	39.72	61.19	131.21

Note:

(1) The figures presented are derived by calculating the monthly average based on the total mileage recorded during the Track Record Period, which is then used to determine the corresponding metrics.

Noise Management

We have established a comprehensive noise management system and clarified the division of responsibilities among various departments to ensure effective noise control. Each department is responsible for monitoring and managing the noise sources in their department, taking timely improvement measures for workstations that exceed the standard, and providing necessary labour protection for employees at those workstations. The Equipment Management Department regularly inspects and maintains equipment to reduce friction and noise. The EHS Department entrusts a qualified third-party agency to monitor boundary noise and workstation noise every year to ensure compliance with emission standards and properly retain the monitoring reports.

Product Packaging

Some of our products require packaging to comply with the internal and customer requirements. We closely adhere to the requirements of our Finished Product Packaging Process (《成品包裝流程》) in order to reduce unnecessary packaging material consumption.

Response to Climate Change

Guided by the national objectives of achieving carbon peaking and carbon neutrality, we are proactively exploring strategies for both adaptation and mitigation in response to climate change. We recognise the potential impacts of climate change on our operations, such as the severe disruptions caused by extreme weather events like floods and storms. Moving forward, we are committed to developing and executing climate change action plans aligned with the New Climate Requirements published by Hong Kong Stock Exchange on April 19, 2024, which will further enhance our resilience and sustainability in the face of evolving climate challenges.

Physical and Transitional Risks

We recognize that climate change poses a significant threat to our business operations. The climate-related risks we have identified can be categorised into two main types: physical risks and transitional risks.

Physical risks are those that have the potential to cause direct physical damage to our assets and infrastructure. We anticipate that climate change may increase the frequency and severity of extreme weather events, such as storms, extremely cold weather, typhoons, and flooding. Although we believe that the physical damage resulting from extreme weather events may have a minimal impact on our business operations, financial condition, and prospects, we remain vigilant and proactive in addressing these risks. Transitional risks arise from regulatory developments and changes in social trends related to ESG issues, which can significantly impact our business operations. Failure to comply with applicable environmental policies, laws, and regulations may result in costly litigation or penalties imposed by relevant PRC judicial or governmental authorities. Non-compliance with environmental regulations may also harm our reputation, leading to a loss of business.

To address climate-related risks, we will take appropriate measures to build resilience to climate change. This includes identifying and managing climate-related risks and opportunities, as well as developing strategies aligned with global best practices to adapt to and mitigate the impact of climate change on our operations. We aim to reduce our carbon footprint by establishing and implementing long-term carbon emission reduction targets. We encourage our employees, suppliers, and customers to minimise carbon emissions in their daily operations wherever feasible.

To effectively address our carbon emissions from electricity use and business travel, we will implement methods aiming to reduce environmental impact while enhancing operational efficiency. By promoting virtual meetings and remote collaboration tools, we will reduce non-essential business travel, thereby lowering travel-related carbon emissions. We will be committed to selecting airlines with strong sustainability practices for essential business travel, minimising the environmental impact of necessary trips. For electricity usage, we will

regularly maintain office equipment to keep them in good condition and upgrade to energy-efficient technologies, such as LED lighting, to optimise electricity consumption. When conditions permit, we will gradually install solar panels on our factory roofs to generate renewable energy on-site, reducing our reliance on grid electricity and further lowering overall carbon emissions.

By proactively addressing climate change and its potential impact on our business, we strive to ensure the long-term sustainability and resilience of our operations while contributing to global efforts to mitigate the effects of climate change.

Metric and Targets

Our Scope 1 GHG emissions come from gasoline consumed in our vehicles during our operations. Our Scope 2 indirect GHG emissions mainly come from purchased electricity consumed in our offices and factories. Based on our carbon emissions in 2024, we have set a practical target to reduce our total carbon emissions by 15% by 2030. To support this goal, we have established a short-term target for the period from 2024 to 2027, using 2024 as the baseline year, to reduce our Scope 1, 2, and 3 emissions within the current statistical scope by 5%.

Moving forward, we will continue to drive GHG emission reduction efforts, collaborating with employees, supply chain partners and other stakeholders to implement emission reduction initiatives and jointly achieve the goal of carbon neutrality.

The following table sets forth indicators for emissions for the periods indicated:

Indicator	**Unit**	**2022**	**2023**	**2024**
Scope 1 emissionss[1]	tonnes of CO_2e	11.06	11.06	11.33
Scope 1 emissions intensity	tonnes of CO_2e/m^2	0.00062	0.00021	0.00021
Scope 2 emissions	tonnes of CO_2e	396.87	1,835.03	3,934.88
Scope 2 emissions intensity	tonnes of CO_2e/m^2	0.022	0.034	0.074
Scope 3 emissions	tonnes of CO_2e	85.51	219.54	227.56
Waste treatment	tonnes of CO_2e	22.45	33.75	30.18
Business Travel	tonnes of CO_2e	63.06	185.79	197.38
Scope 3 emissions intensity	tonnes of CO_2e/m^2	0.0048	0.0041	0.0043

Note:

1 The figures presented are derived by calculating the monthly average based on the total mileage recorded during the Track Record Period, which is then used to determine the corresponding metrics.

Labour Management

Employment Management

We regard our employees as our most valuable assets and adhere strictly to the Labour Law of the PRC (《中華人民共和國勞動法》) and Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), along with other pertinent regulations. To standardise employment practices and protect the rights and interests of our employees, we have developed our Employee Handbook, which contains clear provisions on recruitment, labour relations and behavioural guidelines. Additionally, we maintain a firm stance against child labour and forced labour in any form. Our recruitment process includes thorough reviews of the age and background of all job applicants to prevent any legal violations. Should any infringements be detected, we promptly initiate investigations and implement appropriate corrective measures.

Diversity and Equal Opportunity

We are committed to fostering a diverse, equitable, and inclusive workplace where individuals from various backgrounds can thrive together. Our Company has instituted transparent and fair practices in recruitment, compensation, and promotion to ensure equality. We maintain a strict policy against discrimination or harassment based on gender, nationality, ethnicity, race, religion, or disability. Every employee is guaranteed equal access to benefits and career advancement opportunities, including promotions and training programmes. Additionally, we uphold the principle of equal pay for equal work, extending this commitment across all gender identities and ensuring that fairness and equality are integral to our employment practices.

Training and Development

Our comprehensive training programme encompasses a range of initiatives designed to support our employees at every stage of their careers. New hires undergo thorough onboarding training to familiarise themselves with our history, culture, environment, safety practices, and product knowledge. We also provide ongoing on-the-job training, including both internal and external programmes, to ensure that our employees have access to the latest skills and expertise required for their roles.

In addition to job-specific training, we have created an External Training Agreement and External Training Management Policy. We offer specialised training for positions that require national certification, providing specialised training funds for our employees to support their professional and technical training and ensuring that our employees meet all necessary regulatory requirements. We also accommodate ad hoc training needs, such as the introduction of new quality system documents, promotion requirements, and training by external lecturers. Our commitment to employee development extends beyond technical skills, as we support our employees' professional growth through regular performance reviews, mentoring, and leadership development programmes.

Health and Safety

We are committed to providing a safe and secure work environment for all employees. All employees are expected to adhere to comprehensive safety regulations specific to their departments and roles, participate in safety training, and properly maintain and respect fire safety measures.

Compensation and Benefits

We offer a comprehensive compensation and benefits package designed to attract, retain, and motivate our talented workforce. Our compensation structure includes a fixed salary, performance bonus, various welfare benefits (such as seniority allowance), and a 13th-month payment for both non-frontline and frontline employees, with the addition of a skill-based wage and a full attendance bonus for frontline staff. The seniority allowance is based on an employee's length of service and job level, while performance bonuses are discretionary and depend on various factors, including our financial indicators, performance targets, and strategic direction. In addition to competitive compensation, we provide our employees with a range of statutory welfare benefits, including social insurance, housing provident fund, and paid statutory holidays, to ensure compliance with legal requirements and to support our employees' overall well-being.

Research and Innovation

Intellectual Property Protection

To standardise our patent work, promote technological innovation, and establish independent intellectual property rights, the Invention Reward Policy is developed to encourage inventions by our employees and raise awareness of the importance of developing intellectual property.

Central to our IP protection efforts is the Invention Disclosure Form (IDF) process. The IDF serves as an internal tool that allows our employees to report their inventions to the Company. It is the first step in helping us assess the novelty, potential market value, and overall significance of an invention. Once an IDF is submitted, our Patent Committee reviews it to determine the most suitable course of action. This may include filing a patent application to obtain exclusive rights over the invention, protecting it as a trade secret, or strategically publishing the invention to prevent others from patenting it.

We are in accordance with relevant regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Implementing Regulations of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) during the Track Record Period.

Innovation

We believe that our success is driven by the creativity and ingenuity of our employees. From the moment an employee submits an IDF, they become eligible for a range of incentives, including monetary awards for disclosure, patent application filing, and patent issuance. Our Distinguished Inventor Recognition program further praises significant milestones in an employee's inventive journey, with tiered levels of recognition based on the number of patent applications they are named on. As employees reach each new milestone of achievement, they can change their business cards, email signatures, and social media pages to reflect their Distinguished Inventor level. By offering these incentives and recognition, we aim to foster a culture of continuous innovation, where employees feel empowered to push the boundaries of what is possible and develop groundbreaking technologies that can transform industries.

Customer Service

Customer Satisfaction and Quality Management

Our customer service is tightly integrated with quality management through four key mechanisms, being the Customer Services Management Procedure, the 0KM Customer Complaint Handling Procedure, the After-Sales Warranty Procedures, and the Customer Return Handling Methods. Each of these mechanisms operates with dedicated teams, ensuring comprehensive customer service throughout the product lifecycle.

We implement a strict timeline-based response protocol that demonstrates our commitment to efficient service delivery. Upon receiving any customer feedback, responsible teams must provide an initial response within 24 hours, complete a root cause analysis within five working days, verify improvement measures within 14 days, and deploy comprehensive solutions within 30 days.

To drive continuous enhancement of our service capabilities, we have implemented a systematic knowledge management system centred around the Lesson Learned Card (LLC). This innovative approach facilitates the seamless transfer of expertise across teams, accelerates process improvements, and effectively prevents issue recurrence.

Privacy and Data Security

We implement strict data protection protocols across all operational levels. Employees are only permitted to access confidential information directly related to their job responsibilities and must obtain explicit company authorisation before sharing any information externally. Our security measures extend to both physical and digital assets, with specific protocols for handling sensitive documents, source code, and technical specifications. All public-facing materials, such as operation manuals and installation guides, must be officially approved and remain unmodified.

Our data security framework includes comprehensive end-of-employment procedures. When employment relationships terminate, employees must immediately return all confidential materials, permanently delete any sensitive information from their devices, and are prohibited from retaining any copies. This applies to all forms of documentation, including electronic files, business records, financial arrangements, and customer-related information. Any breach of confidentiality is treated with utmost seriousness, potentially resulting in disciplinary actions, financial penalties, or legal proceedings.

Business Ethics

We strictly abide by the laws and regulations related to anti-corruption, including but not limited to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Criminal Law of the PRC (《中華人民共和國刑法》) and the US Foreign Corrupt Practices Act of 1977 ("FCPA"). We strictly prohibit all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in our business activities. Our Anti-Corruption Policy, Gifts and Entertainment Policy and Business Hospitality Management Policy promote clear work ethics to employees, and strictly prohibit bribery, extortion, fraud, money laundering and other unethical behaviours, such as gambling, misappropriation of our assets, provision or acceptance of gifts or other improper benefits. During the Track Record Period and up to the Latest Practicable Date, we had not concluded any legal cases regarding corruption, bribery, fraud and money laundering practices.

Caring for the Community

We are committed to making a positive impact on the communities in which we operate. We believe in the importance of giving back and actively participating in various community engagement initiatives and corporate social responsibility programmes.

During the Track Record Period, our California team organised an Earth Day event, clearing trash and green waste from local hiking trails to underscore our commitment to environmental stewardship. Additionally, we engaged in volunteer efforts at a non-profit focused on food security, further highlighting our dedication to supporting community initiatives. In Suzhou, our subsidiary demonstrated equal commitment through impactful contributions. We provided LiDAR products to three universities to enhance their educational and research capabilities. Moreover, a substantial donation of RMB50,000 was made to a Suzhou-based charity, reinforcing our support for local charitable organisations. These initiatives reflect our aim to generate lasting, positive impacts in the communities we serve while promoting a culture of social responsibility and active engagement among our employees.

In our future operations, we will continue to build trust, foster local relationships, and share the benefits of innovation with the communities in which we operate. For example, in regions housing our research or manufacturing facilities, we will organize outreach programs such as STEM workshops at local schools, guest lectures and facility tours for students, "open house" demo days where community members could see LiDAR technology in action and host regional "LiDAR in Society" seminars open to the public. We also intend to collaborate with top universities to provide internship slots and sponsor capstone projects leveraging LiDAR data for civic applications.

Unless the context otherwise requires, all references in this section to "we," "us" or "our" refer to Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group").

You should read the following discussion and analysis with the audited consolidated financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this circular. Target Group's consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis may contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider the information provided in this circular, including the sections headed "Risk Factors" and "Business of the Target Group."

For the purpose of this section, unless the context otherwise requires, references to 2022 and 2023 refer to the Target Group's financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are one of the key players in the design, development, and production of automotive-grade LiDAR solutions. In 2024, we delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth globally in terms of sales revenue of ADAS LiDAR solutions, according to CIC.

We believe that automotive-grade LiDARs featuring high image-grade resolution and long-detection range are essential for achieving mission-critical objectives and fulfilling the fundamental purpose of any LiDAR solution-enhancing safety and improving user experience. NIO, a pioneer and a leading company in the premium smart electric vehicle market, has elected to adopt our LiDAR solutions on its nine models as of the Latest Practicable Date, which we believe is a strong testimony to the unique value proposition of our solutions.

We offer our LiDAR solutions for ADAS, and other automotive and non-automotive application scenarios. The strong performance of our solutions, our success and leadership in commercialization and volume production, and our strong foothold in both China and the United States together distinguish us from others and position us well to continuously innovate and lead as the technology vanguard of human safety.

We primarily derive revenues from the sale of our LiDAR solutions. Our revenues increased significantly from US$66.3 million in 2022 to US$121.1 million in 2023, and further to US$159.6 million in 2024. Our revenue increased from US$51.6 million in the five months ended May 31, 2024 to US$52.0 million in the five months ended May 31, 2025. See "— Discussion of Results of Operations". We incurred loss for the year of US$188.2 million, US$219.0 million, and US$398.2 million in 2022, 2023 and 2024, and incurred loss of US$74.3 million and US$21.5 million in the five months ended May 31, 2024 and 2025, respectively.

BASIS OF PRESENTATION AND PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values. The historical financial information has been prepared on a going concern basis.

For the purpose of preparing and presenting the historical financial statements for the Track Record Period, we have consistently applied the accounting policies which conform with International Accounting Standards ("IASs"), IFRS Accounting Standards, amendments to IFRS Accounting Standards and the related Interpretations ("IFRICs") issued by IASB that have become effective during the Track Record Period, which have been adopted by us consistently throughout the Track Record Period. We have not early adopted the new standards and amendments in issue but not effective for the Track Record Period. We have already commenced an assessment of the impact of these new and amended standards and have concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on our financial performance and positions when they become effective. For details, see Note 2 to the Accountant's Report included in Appendix I.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business and results of operations are affected by the macroeconomic factors, including but not limited to the overall economic growth rates in China and globally, the penetration rate of LiDARs in both automotive and non-automotive applications, and the regulatory, tax and geopolitical environments, the stability of our supply chain, as well as raw materials and components cost. Changes in any of these general factors may affect the sales of our products as well as our results of operations. Besides these general factors, we believe the following specific factors may have a more direct impact and may continue to affect our operation and financial performance:

Retaining and Expanding Partnerships with Existing Customers

Our ability to retain our current partnerships with our customers affects our ability to obtain more contracts from them and scale up our sales to these customers, which in turn affects our revenue and overall results of operations. We initiated volume production and delivery of our LiDAR solutions in 2022. As of the Latest Practicable Date, NIO has adopted our LiDAR solutions across nine of its models. Meanwhile, our sales to other existing customers are also ramping up. As such, our ability to maintain and enhance our existing partnership with existing customers will be critical to our results of operations.

Securing Contracts from New Customers

Leveraging our established volume production capabilities, we have established business relationships with OEMs and ADAS or ADS companies in addition to NIO. As of the Latest Practicable Date, we had obtained design-wins from another thirteen OEMs and ADAS or ADS companies focusing on commercial vehicles, passenger EVs and ride-hailing and mobility services, respectively, which have selected our LiDAR solutions for integration into their ADAS for passenger vehicle applications, trucking and logistics applications and commercial vehicle applications. We have also entered into collaboration agreements with a number of ADAS and ADS companies, pursuant to which we would leverage our technologies, design capabilities, and industry experience to support and assist in the potential integration of our LiDAR solutions into their pipeline models or integrated ADAS for various applications such as commercial vehicles, trucking, and logistics. We believe these collaborations are expected to affect our sales and results of operations going forward. We have been enhancing our customer reach and diversifying our customer base, in response to the negative impact of the pandemic and decline in consumer confidence.

We launched our first non-automotive LiDAR solutions in early 2018. As of December 31, 2024, our LiDAR solutions had been successfully incorporated and applied in various non-automotive application scenarios across over 20 provinces and regions in China. We have established strong and stable relationships with leading system integrators in China and, through our work on projects with them, we have developed a better understanding of their varying functional and installation needs. We plan to further enhance the features and performance of each line of our LiDAR solutions and leverage additional design wins in different applications to be able to serve more diverse needs from both automotive and non-automotive customers, which we believe is expected to affect our ability to increase sales and enhance our results of operations.

Offering Competitive Value Propositions

Our ability to offer competitive value propositions to our customers and charge premium pricing for our products is critical to maintaining a favorable gross and net profit margin, and affects our overall results of operations. We may also face pricing pressure from our peers as the industry further develops, which may hinder our ability to charge premium pricing. However, we believe we are well positioned to overcome potential pricing pressure from market competition, as we are one of the first industry players to achieve volume production, and our target markets show increasing acceptance of LiDAR technologies in general, and appreciation for the unique product features of our high-performance LiDAR solutions in particular.

Supply Chain Management and Procurement Costs

Our ability to source raw materials and components for the manufacturing of our LiDAR sensor hardware in satisfactory quantities at reasonable costs is critical to our ability to satisfy customer orders, maintain our business relationships, and enhance our competitive advantages. As we begin delivery for more models, we expect to increase our procurement volume to support the expected significant increase in production, which may help us obtain more favorable terms with our suppliers. To mitigate our exposure to risks of potential supply chain disruptions, including lack of raw material availability and unfavorable hikes in raw material prices, we are taking measures to establish a dual-supplier system under which we seek to establish supply relationships with at least two suppliers for critical raw materials and components for our manufacturing. Such initiatives also help ensure stability of raw materials and components supplies, and contribute to our stronger negotiating power, which in turn is crucial to our ability to control our procurement costs and improve gross margin.

Establishing and Expanding Manufacturing Capabilities

Our ability to establish and ramp up sufficient manufacturing capabilities is crucial to our ability to meet the delivery schedule for our LiDAR solutions as our customers begin volume production of their models. For example, due to additional demand from NIO, for its new models which started volume production, the production capacities needed for our LiDAR solutions is expected to significantly increase. Our manufacturing capability to meet the timing and volume of such demand, therefore, will directly impact our sales volume and revenue. To that end, we are actively expanding our manufacturing capacities. We have leased new facilities in Deqing and Pinghu, China, which began mass production in February and July 2024, respectively.

In addition, our ability to build and ramp up our manufacturing facilities also affects our gross profit and gross profit margin. A significant portion of our expenditure in relation to new manufacturing facilities are fixed costs, such as depreciation and overhead expenses. The per unit cost of our LiDAR solutions is expected to decrease as we ramp up our manufacturing facilities to reach their full capacities.

Investing in Research and Development

Continued investment in research and development activities, such as recruiting technical talents and building R&D infrastructure, is fundamental to our ability to develop new products in order to maintain our leadership position, which in turn affects our revenue and results of operations. In addition to the recruiting of talents and building up infrastructure, the investment in R&D also includes the cooperations with and outsourcing to competent third party R&D, such as the investment in the R&D collaboration in 2022 and 2023. Historically, we have successfully designed, developed and commercialized our automotive-grade LiDAR solutions, including Falcon, Robin and Jaguar series products and OmniVidi software to satisfy the diverse needs of a broader base of customers. We also cooperate with NIO in developing ASIC chips for use in LiDAR solutions to further enhance their performance and market competitiveness. These R&D milestones across hardware and software are the culmination of our efforts in attracting, retaining, and empowering world class R&D talents.

We expect to continue to invest in research and development in the U.S., China, and potentially other regions in order to capitalize on the in-depth local knowledge from top talents to offer new solutions and stay competitive in multiple markets. We believe our commitment to R&D at a level commensurate with our technological advancements affects our long-term success, competitiveness, and results of operations.

Improving Operational Efficiency

Our ability to achieve operational efficiency by keeping our operating expenses at reasonable levels as we scale up our business affects our ability to achieve profitability. In particular, we need to focus on efficient hiring plans and marketing activities, in order to achieve long-term success without incurring excessive operating expenses that negatively affect our results of operations. To enhance operating efficiency, we will implement targeted initiatives across R&D, sales and marketing, and general and administrative functions. In R&D, we aim to streamline project management processes, focus on high-impact innovation, and leverage advanced tools to accelerate product development and optimize resource allocation. For sales and marketing, we will strengthen key account management, deepen partnerships with OEMs and tier-1 ADAS or ADS companies, and tailor marketing efforts to emphasize our value proposition. Additionally, we will utilize data analytics and industry events to refine strategies, generate high quality marketing campaign, and expand market reach. In general and administrative operations, we will automate routine tasks, optimize organizational structures, and implement performance monitoring tools to enhance productivity while reducing costs. Collectively, these measures are designed to drive operational scalability, improve margins, and support sustainable growth.

The Impact of COVID-19

The outbreak of COVID-19 pandemic has materially and adversely affected the global economy since the first quarter of 2020. In response, the PRC government and the governments of other countries have implemented numerous anti-pandemic measures, including travel bans and restrictions, quarantines, remote work arrangement and shutdowns. Particularly, the emergence of the Omicron variant of COVID-19 in 2022 resulted in extended duration of aforementioned measures. However, substantially all of the cities in the PRC eased or lifted the restrictive measures in January 2023.

The COVID-19 pandemic adversely affected raw material supplies and the mobility of some of our employees, leading to production volatility and higher manufacturing costs in 2022. However, following the lifting of restrictive measures, our production and overall business has recovered from the COVID-19 pandemic.

Benefitted from our inventory management policies where we make inventory forecast in advance and provide suppliers with sufficient lead time for preparation, the volatility of raw materials caused by the COVID-19 pandemic did not have material adverse impact to our production activities. During the Track Record Period and up to the Latest Practicable Date, the COVID-19 pandemic did not have any material adverse impact on our business operations or financial performance.

MATERIAL ACCOUNTING POLICY INFORMATION AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The historical financial information of the Target Group has been prepared in accordance with IFRS Accounting Standards issued by the IASB. In the application of the Target Group's accounting policies, the management of the Target Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue

Sales of LiDAR sensors

We sell LiDAR sensors to direct customers. Revenue from LiDAR sensors is recognized when control of the goods has been transferred, generally occurring upon shipment, delivery, or customer acceptance according to the terms of the underlying contract. Transportation and handling activities that occur before customers obtain control are considered as fulfillment activities and are included in revenue. The transaction price received is recognized as a contract liability until revenue is recognized.

Our customers have a right to return products if the products do not meet the contract's specifications. We use our accumulated historical experience to estimate the number of exchanges on a portfolio level using the expected value method. Product returns were not material during the Track Record Period. Revenue is recognized for sales that are considered highly probable, ensuring that a significant reversal in the cumulative revenue recognized will not occur.

We generally grant a three-year assurance-type warranty in relation to our sales of LiDAR sensors to customers. The sales-related warranties associated with LiDAR sensors cannot be purchased separately and serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, we account for warranties in accordance with IAS 37.

Engineering Service

We occasionally provide engineering services to customers to develop features that are not currently in our internal product roadmap but are requested by the customer. Revenue is recognized based on the stage of completion of the contract.

Critical Accounting Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below), that we, the directors, have made in the process of applying our accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Capitalization of research and development expenditure

Development expenditure incurred on research activities are capitalized and deferred only when we can demonstrate the technical feasibility of completing the intangible assets so that they will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the research and development projects, and the ability to reliably measure the expenditure during the development. Development expenditure that do not meet these criteria are expensed when incurred. We assess the progress of each of our research and development projects and determine whether the criteria for capitalization are met.

Consideration Payable to a Customer

Consideration payable to a customer includes cash amounts that we expect to pay to the customer. We account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to us. If consideration payable to a customer is a payment for a distinct good or service from the customer, we account for the purchase of the good or service in the same way that we account for other purchases from suppliers. If the amount of consideration payable to the customer exceeds the fair value of the distinct good or service that we receive from the customer, we account for such an excess as a reduction of the transaction price. If we cannot reasonably estimate the fair value of the good or service received from the customer, we account for all of the consideration payable to the customer as a reduction of the transaction price.

Share-based Payment

Where equity instruments are awarded to employees and others providing similar services, the fair value of services received is measured by reference to the fair value of the equity instrument at the grant date. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in equity.

At the end of each reporting period, TechStar revises its estimates of number of equity instruments that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

For those arrangements where the terms provide either TechStar or the counterparty with a choice of whether TechStar settles the transaction in cash (or in other assets) or by issuing equity instruments, TechStar shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, TechStar has incurred a liability to settle in cash (or other assets). Otherwise, the share-based payment transaction is accounted for as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

With respect to (i) the Promoter Warrants and (ii) the Conversion Right of the Class B Shares are accounted for as equity-settled share-based payment. The difference between the fair value of the Conversion Right of the Class B Shares and the Promoter Warrants and the subscription price paid by the Joint Promoters are recognised as equity-settled share-based payment expenses with a corresponding increase in a reserve within equity.

The fair value of the Conversion Right of the Class B Shares and the Promoter Warrants are measured at TechStar's listing date, without taking into consideration of all non-market vesting condition. The total estimated fair value of the equity-settled share-based payment is spread over the vesting period based on TechStar's estimate of equity instruments that will eventually vest. TechStar identified the completion of a De-SPAC transaction as the vesting condition.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

Pursuant to the Business Combination Agreement, each TechStar Promoter Warrant would be issued and converted into one Successor Company Promoter Warrant. For the Successor Company Promoter Warrants issued, those warrant holders will not be serving as employees of the Successor Group nor will they provide services to the Successor Group after the De-SPAC Transaction. Therefore, the TechStar Promoter Warrants are assumed by the Successor Company and the Successor Company Promoter Warrants are accounted for as financial liability at FVTPL.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Fair Value Measurement of Redeemable Convertible Preferred Shares

As of December 31, 2022, 2023, 2024 and May 31, 2025, certain of our financial liabilities, redeemable convertible preferred shares, amounting to US$447.5 million, US$670.1 million, US$982.1 million and US$983.4 million, respectively, are measured at fair value, with the fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs. While we consider these valuations to be the best estimates, the inflationary environment and interest rate hikes have resulted in greater market volatility and may affect our business, leading to higher uncertainty regarding the valuations during the relevant periods. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See Note 35 to the Accountant's Report included in Appendix I for further disclosures.

Provision of ECL for Trade Receivables

Trade receivables with significant balances and credit-impaired receivables are assessed for ECL individually.

When ECL assessment is performed using a provision matrix, details on how ECL are measured should be consistent with our internal credit risk management, as disclosed in Note 35 to the Accountant's Report included in Appendix I.

Additionally, we use a practical expedient in estimating ECL on trade receivables that are not assessed individually, using a provision matrix. The provision rates are based on the aging of debtors as groupings of various debtors, taking into consideration our historical default rates and forward-looking information that is reasonable and supportable, available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed, and changes in the forward-looking information are considered.

The provision for ECL is sensitive to changes in estimates. Information about the ECL and our trade receivables is disclosed in Note 35 to the Accountant's Report included in Appendix I.

Estimation of Provision for Warranty Claims

Provision for product warranties granted by us in respect of certain products is recognized based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect our warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claims on those products, and the cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

We typically provide a three-year warranty on our products. Estimated future warranty costs are accrued and charged to cost of sales in the period when the related revenue is recognized. These estimates are based on historical warranty experience and any known or expected changes in warranty exposure, such as trends in product reliability and costs of repairing and replacing defective products. We periodically assess the accuracy of our recorded warranty liabilities and adjust the amounts as necessary.

The portion of the warranty reserve expected to be incurred within the next 12 months is included within warranty liabilities, while the remaining balance is included within other non-current warranty liabilities on the consolidated balance sheets. Warranty expenses are recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income.

Information about the provision for warranty claims and our warranty liabilities is disclosed in Note 31 to the Accountant's Report included in Appendix I.

See Notes 3 and 4 to the Accountant's Report included in Appendix I for details on critical accounting policies, critical accounting judgements and key sources of estimation uncertainty.

DESCRIPTION OF KEY CONSOLIDATED INCOME STATEMENTS ITEMS

The table below sets forth our consolidated income statements for the periods indicated derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountant's Report included in Appendix I to this circular.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(Unaudited)	
Revenue	**66,302**	**121,108**	**159,575**	**51,550**	**51,965**
Cost of sales	(107,623)	(163,467)	(173,481)	(65,881)	(45,251)
Gross (loss) profit	**(41,321)**	**(42,359)**	**(13,906)**	**(14,331)**	**6,714**
Other income	2,005	3,070	2,458	941	2,163
Other gains and losses	502	(2,653)	(262)	(11)	(416)
Selling and marketing expenses	(6,887)	(9,204)	(8,213)	(3,948)	(3,750)
Administrative expenses	(15,238)	(18,306)	(21,357)	(10,805)	(7,598)
Research and development expenses	(78,120)	(63,789)	(36,958)	(20,882)	(13,674)
Net impairment losses under expected credit loss ("ECL") model	(13)	(153)	(1,625)	(1,193)	172
Fair value changes of financial instruments at fair value through profit or loss ("FVTPL")	(43,257)	(80,448)	(312,025)	(21,865)	(1,280)
Professional fees and expenses related to De-SPAC Transaction	–	–	(2,485)	(1,186)	(1,255)
Other expenses	(5,178)	(2,176)	(424)	114	–
Finance costs	(319)	(2,080)	(2,657)	(874)	(2,337)
Loss before tax	(187,826)	(218,098)	(397,454)	(74,040)	(21,261)
Income tax expenses	(339)	(872)	(741)	(251)	(233)

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	(US$ in thousands)				
				(Unaudited)	
Loss for the year/period	**(188,165)**	**(218,970)**	**(398,195)**	**(74,291)**	**(21,494)**
Other comprehensive (expense) income					
Item that may be reclassified to profit or loss:					
Exchange differences on translation from functional currency to presentation currency	(3,682)	2,557	(34)	12	214
Total comprehensive expense for the year/period	**(191,847)**	**(216,413)**	**(398,229)**	**(74,279)**	**(21,280)**
Loss per share (US$)					
– Basic and diluted	(16.49)	(18.78)	(32.12)	(6.03)	(1.72)

Non-IFRS Measure

Our consolidated financial information was prepared in accordance with IFRS. To supplement our consolidated results which were prepared and presented in accordance with IFRS, we use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that the measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of items, such as certain non-cash items. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back fair value changes of financial instruments at fair value through profit or loss ("**FVTPL**"), share-based compensation, and De-SPAC Transaction expenses. Our fair value changes of financial instruments at FVTPL primarily relates to fair value changes of our redeemable convertible preferred shares. As our redeemable convertible preferred shares shall be converted into ordinary shares immediately before the completion of the De-SPAC Transaction, such preferred shares will be re-classified from liabilities to equity upon the Listing. Share-based compensation is non-cash in nature.

The following table sets forth a reconciliation of our adjusted net loss (non-IFRS measure) for 2022, 2023, 2024, and five months ended May 31, 2024 and 2025 to the nearest measures prepared in accordance with IFRS.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(Unaudited)	
Loss for the year/period	**(188,165)**	**(218,970)**	**(398,195)**	**(74,291)**	**(21,494)**
Add:					
Fair value changes of financial instruments at FVTPL	43,257	80,448	312,025	21,865	1,280
Share-based compensation	1,919	1,313	786	469	253
De-SPAC Transaction expenses	–	–	2,485	1,186	1,255
Adjusted net loss (non-IFRS measure)	**(142,989)**	**(137,209)**	**(82,899)**	**(50,771)**	**(18,706)**

Revenue

Revenue by Business Line

We generate revenue from sales of (i) Falcon series LiDAR solutions, (ii) Robin series LiDAR solutions, (iii) Jaguar series LiDAR solutions, and (iv) others, which primarily include sales of software, electronic materials sales and engineering services. The following table sets forth a breakdown of our revenue by business line, both in absolute amounts and as percentages of total revenue for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		**2023**		**2024**		**2024**		**2025**	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Falcon series	65,038	98.1	118,736	98.0	153,687	96.3	50,938	98.8	48,089	92.5
Robin series	–	–	115	0.1	5,040	3.2	346	0.7	3,486	6.7
Jaguar series	821	1.2	783	0.7	–	–	–	–	–	–
Others	443	0.7	1,474	1.2	848	0.5	266	0.5	390	0.8
Total	**66,302**	**100.0**	**121,108**	**100.0**	**159,575**	**100.0**	**51,550**	**100.0**	**51,965**	**100.0**

We generate revenue primarily from the sale of our Falcon, Robin and Jaguar series during the Track Record Period. Falcon, Robin and Jaguar series are designed for a wide range of automotive and non-automotive application scenarios. We also generate revenue from our OmniVidi software which extends the appropriate functioning of our automotive and non-automotive LiDAR solutions, the amount of which was immaterial. For details, see "Business of the Target Group – Our Solutions."

The following tables set forth details on the sales volumes and average selling prices of our products for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
			(unit)		
Sales Volume					
Falcon	74,029	147,743	218,426	71,997	69,986
Robin	–	175	11,589	388	11,228
Jaguar	95	150	–	–	–

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
			(US$/unit)		
Average Selling Price					
Falcon	879	804	704	708	687
Robin	–	656	435	892	310
Jaguar	8,639	5,220	–	–	–

For our Robin series, it achieved no sales revenue in 2022 because we only launched and notified to the market the advent of the Robin series in 2022. We didn't realize the mass production and sales of the Robin series until the second half of 2024. For each of our Falcon and Robin series, the sales volume increased steadily from 2022 to 2024, primarily due to our business growth and an increase in production volumes. The sales volume of Falcon series decreased from the five months ended May 31, 2024 to the same period in 2025, primarily due to the decreased sales volume of NIO's vehicles equipped with our Falcon series. On the other hand, the sales volume of our Robin series increased significantly during the same period, as the Robin W series entered into mass production in the second half of 2024. We discontinued sales of the Jaguar series starting in 2024, primarily driven by customer product upgrades, with demand shifting toward the Falcon and Robin series. During the Track Record Period, the average selling price of our products for ADAS applications has been declining since volume production commenced in 2022. This trend reflects the typical product lifecycle, where prices gradually decrease following product introduction until reaching maturity. These price adjustments align with industry norms and are consistent with the practices observed among

our peers, according to CIC. The average selling price of our Robin series decreased significantly over time. In 2023, Robin series units were delivered as prototypes to our customers, commanding a very high price. We began mass production and delivery of Robin W LiDAR solutions for installation at NIO power swap stations in July and September 2024. The high average selling price for Robin solutions in 2024 was primarily due to the low volume of customized Robin series products delivered. Mass production and delivery of Robin W as ancillary LiDARs commenced in December 2024 and January 2025. The average selling price of our Robin series products dropped significantly for the five months ended May 31, 2025, compared to 2024, primarily because Robin W LiDARs were largely sold at reduced prices for bulk delivery to models on NIO's NT 3.0 platform. During the same period, raw material costs per unit were reduced through research and development efforts, enabling cost optimization and efficiency improvements that offset the decline in average selling price, which contributed to the increase in gross loss margin. Furthermore, manufacturing efficiency improved due to economies of scale achieved since the start of volume production in 2022, contributing to overall operational efficiency.

Revenue by Geographical Region

Our products are sold to a variety of regions around the world, mainly including China, United States, Germany, France, Sweden, the United Arab Emirates, the United Kingdom, among others. Substantially all our sales revenue were generated from China during the Track Record Period. In 2022, 2023 and 2024, revenue generated from China contributed to approximately 98.7%, 97.0%, and 97.5% of our total revenue, respectively. In the five months ended May 31, 2024 and 2025, revenue generated from China contributed to approximately 98.0% and 96.3% of our total revenue, respectively. The following table sets forth a breakdown of our revenue by geographical region based on the locations of the end customers, both in absolute amounts and as percentages of total revenue for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
China[(1)]	65,424	98.7	117,491	97.0	155,646	97.5	50,523	98.0	50,026	96.3
Others[(2)]	878	1.3	3,617	3.0	3,929	2.5	1,027	2.0	1,939	3.7
Total	**66,302**	**100.0**	**121,108**	**100.0**	**159,575**	**100.0**	**51,550**	**100.0**	**51,965**	**100.0**

Notes:

(1) Including mainland China and Hong Kong, China.

(2) Other regions mainly include the United States, Germany, France, Sweden, the United Arab Emirates, the United Kingdom, etc.

Revenue from the sales of LiDAR solutions

The following table sets forth a breakdown of our revenue from the sales of LiDAR solutions for automotive and non-automotive applications.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)									
							(Unaudited)			
Automotive	60,245	90.9	114,114	94.2	150,579	94.4	49,050	95.2	47,581	91.6
Non-Automotive	6,057	9.1	6,994	5.8	8,996	5.6	2,500	4.8	4,384	8.4
Total	**66,302**	**100.0**	**121,108**	**100.0**	**159,575**	**100.0**	**51,550**	**100.0**	**51,965**	**100.0**

During the Track Record Period, NIO was our main customer for automotive applications. The following table sets forth a breakdown of our sales for automotive applications for NIO and non-NIO companies.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except percentages)									
							(Unaudited)			
NIO	58,828	97.6	109,780	96.2	146,110	97.0	47,267	96.4	44,791	94.1
Non-NIO companies	1,417	2.4	4,334	3.7	4,469	3.0	1,783	3.6	2,790	5.9
Total	**60,245**	**100.0**	**114,114**	**100.0**	**150,579**	**100.0**	**49,050**	**100.0**	**47,581**	**100.0**

Cost of Sales

Our cost of sales primarily consists of (i) material cost, (ii) staff cost, (iii) warranty cost, (iv) provision for inventory, (v) depreciation and amortization, and (vi) others. The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as percentages of total cost of sales for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Material cost. . .	95,873	89.1	145,284	88.9	152,255	87.8	54,796	83.2	36,937	81.6
Staff cost	8,183	7.6	6,681	4.1	10,231	5.9	3,922	6.0	4,031	8.9
Warranty cost . .	1,556	1.4	2,037	1.2	2,681	1.5	1,915	2.9	770	1.7
Provision for inventory . . .	434	0.4	6,120	3.8	4,516	2.6	3,575	5.4	1,599	3.5
Depreciation and amortization. .	1,381	1.3	2,849	1.7	3,622	2.1	1,564	2.4	1,862	4.1
Others	196	0.2	496	0.3	176	0.1	109	0.1	52	0.2
Total.	**107,623**	**100.0**	**163,467**	**100.0**	**173,481**	**100.0**	**65,881**	**100.0**	**45,251**	**100.0**

The following table sets forth a breakdown of our cost of sales by business line, both in absolute amounts and as percentages of total cost of sales for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Falcon series. . .	107,074	99.5	161,700	98.9	167,271	96.4	65,064	98.8	40,235	88.9
Robin series . . .	–	–	254	0.2	5,606	3.2	506	0.8	4,805	10.6
Jaguar series. . .	303	0.3	359	0.2	–	–	–	–	–	–
Others	246	0.2	1,154	0.7	604	0.4	311	0.4	211	0.5
Total.	**107,623**	**100.0**	**163,467**	**100.0**	**173,481**	**100.0**	**65,881**	**100.0**	**45,251**	**100.0**

The following table sets forth a breakdown of our cost of sales by geographical region based on the locations of the end customers, both in absolute amounts and as percentages of total revenue for the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
China[(1)]	105,011	97.5	161,777	99.0	171,885	99.1	65,232	99.0	44,470	98.3
U.S.	2,548	2.4	1,525	0.9	1,208	0.7	530	0.8	685	1.5
Others[(2)]	64	0.1	165	0.1	388	0.2	119	0.2	96	0.2
Total	**107,623**	**100**	**163,467**	**100.0**	**173,481**	**100.0**	**65,881**	**100.0**	**45,251**	**100.0**

Notes:

(1) Including mainland China and Hong Kong, China.

(2) Other regions mainly include Germany, France, Sweden, the United Arab Emirates, the United Kingdom, etc.

Gross Loss and Gross Margin

The following table sets forth the gross loss and gross margin of our various business lines during the periods indicated.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Falcon series	(42,036)	(64.6)	(42,964)	(36.2)	(13,584)	(8.8)	(14,126)	(27.7)	7,854	16.3
Robin series	–	–	(139)	(120.9)	(566)	(11.2)	(160)	(46.2)	(1,319)	(37.8)
Jaguar series	518	63.1	424	54.2	–	–	–	–	–	–
Others	197	44.5	320	21.7	244	28.8	(45)	(16.9)	179	45.9
Total/Overall	**(41,321)**	**(62.3)**	**(42,359)**	**(35.0)**	**(13,906)**	**(8.7)**	**(14,331)**	**(27.8)**	**6,714**	**12.9**

We incurred gross loss in 2022, primarily because we were at the beginning of commencing volume production of our Falcon series. Our Robin series entered into mass production since the second of 2024. The gross loss margin of Robin series widened for five months ended May 31, 2025 compare to 2024, primarily due to a significant decline in the average selling price. As our sales volume increased over the years, we have narrowed down our gross loss in 2023 and 2024. We achieved gross profit margin of 12.9% in the first five months of 2025, evidencing our path towards profitability.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) payroll and employee benefits for sales and marketing staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) marketing promotion expenses to advertise our solutions; and (iii) other expenses used in sales and marketing activities including logistics cost, depreciation, office suppliers, dues and subscription fees, HR and recruiting consultant fees, IT and software expenses.

The following table sets forth a breakdown of our sales and marketing expenses for the periods indicated, both in absolute amounts and as percentages of total sales and marketing expenses.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Payroll and employee benefits	4,619	67.1	6,030	65.5	5,446	66.3	2,334	59.1	2,562	68.3
Marketing promotion expenses	2,000	29.0	2,689	29.2	2,382	29.0	1,373	34.8	1,133	30.2
Others	268	3.9	485	5.3	385	4.7	241	6.1	55	1.5
Total	**6,887**	**100.0**	**9,204**	**100.0**	**8,213**	**100.0**	**3,948**	**100.0**	**3,750**	**100.0**

Administrative Expenses

Our administrative expenses primarily consist of (i) payroll and employee benefits for administrative staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) facilities expenses in relation to rent, management fees, repair and maintenance fees, and utilities of the facilities we use, and depreciation; (iii) professional service related to

various corporate activities; (iv) office expenses for general office supplies; (v) severance expense; and (vi) other expenses used in administrative activities including insurance expenses, IT and software expense. We expect our administrative expenses to increase in the foreseeable future as we incur additional expenses as a result of operating as a public company and meeting the increased compliance requirements associated with our international expansion.

The following table sets forth a breakdown of our administrative expenses for the periods indicated, both in absolute amounts and as percentages of total administrative expenses.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Payroll and employee benefits	8,144	53.4	9,253	50.5	8,563	40.1	4,311	39.9	3,695	48.6
Facilities expense and depreciation	2,280	15.0	2,916	15.9	4,503	21.1	1,769	16.4	1,970	25.9
Professional service	2,823	18.5	2,541	13.9	2,241	10.5	669	6.2	780	10.3
Office expenses	1,243	8.2	1,772	9.7	1,288	6.0	632	5.8	363	4.8
Severance expenses	–	–	83	0.5	3,061	14.3	2,744	25.4	221	2.9
Others	748	4.9	1,741	9.5	1,701	8.0	680	6.3	569	7.5
Total	**15,238**	**100.0**	**18,306**	**100.0**	**21,357**	**100.0**	**10,805**	**100.0**	**7,598**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) payroll and employee benefits for research and development staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) cooperative research and development fee in relation to our collaborations with NIO in research and development of ASIC chips; (iii) materials consumed in R&D activities; (iv) consultancy fee for professional services from third-party technical consultants, experts and headhunters; (v) depreciation and amortization; and (vi) other expenses used in R&D activities including expenses related to our intellectual properties, travel and entertainment, and IT and software expenses.

In October 2022, we began our cooperation with NIO on the research and development of ASIC chips. For details, see "Business of the Target Group – Research and Development – Cooperation with NIO."

The following table sets forth a breakdown of our R&D expenses during the periods indicated, both in absolute amounts and as percentages of total R&D expenses.

	Year Ended December 31,						Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Payroll and employee benefits	25,681	32.9	38,589	60.5	29,732	80.4	14,361	68.8	10,037	73.4
Cooperative research and development fee	35,781	45.8	5,935	9.3	–	–	–	–	–	–
Materials consumed	8,588	11.0	8,610	13.5	6,849	18.5	2,916	14.0	2,266	16.6
Consultancy fee	2,503	3.2	4,247	6.7	4,245	11.5	1,895	9.1	620	4.5
Depreciation and amortization	756	1.0	1,455	2.3	1,472	4.0	571	2.7	697	5.1
Compensation for research and development expense *(Note)*	–	–	–	–	(7,727)	(20.9)	–	–	(867)	(6.3)
Others	4,811	6.1	4,953	7.7	2,387	6.5	1,139	5.4	921	6.7
Total	**78,120**	**100.0**	**63,789**	**100.0**	**36,958**	**100.0**	**20,882**	**100.0**	**13,674**	**100.0**

Note: The compensation amount of US$7,727,000 pertained to compensation from NIO for R&D expenses already incurred by the Target Company related to R&D work on certain product in accordance with an agreement entered into between the Target Company and NIO in December 2024.

Fair Value Changes of Financial Instruments at FVTPL

Our fair value changes of financial instruments at FVTPL primarily relates to fair value changes of our redeemable convertible preferred shares. Our fair value changes of financial instruments were losses of US$43.3 million, US$80.4 million, US$312.0 million, US$21.9 million and US$1.3 million in 2022, 2023, 2024 and five months ended May 31, 2024 and 2025, respectively.

TAXATION

Our income tax expenses primarily consist of current tax at the statutory rates applicable to our assessable profit before taxation as determined under relevant laws and regulations.

Cayman Islands

Under the current laws of the Cayman Islands, the Target Company is not subject to tax on income or capital gain. Additionally, the Cayman Islands do not impose a withholding tax on payments of dividends to shareholders. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Target Company.

PRC

We and our subsidiaries established in the PRC are generally subject to statutory income tax at a rate of 25% in accordance with the relevant PRC income tax laws, subject to preferential tax treatments available to certain qualified enterprises. One of our subsidiaries were approved as "high and new technology enterprise" in November 2023, and, accordingly, enjoy a preferential income tax rate of 15% from 2023 to 2025. According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("Super Deduction"). Starting from October 1, 2022, the additional deduction ratio increased to 100%. Certain of our subsidiaries in the PRC enjoy this tax deduction. Certain of our subsidiaries in the PRC are qualified as "small low-profit enterprise". The entitled subsidiaries are subjected to a preferential income tax rate as 20% during the Track Record Period.

See also "Risk Factors – Risks Related to Doing Business in China – If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders" and "Risk Factors – Risks Related to Doing Business in China – We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies, and heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future."

United States

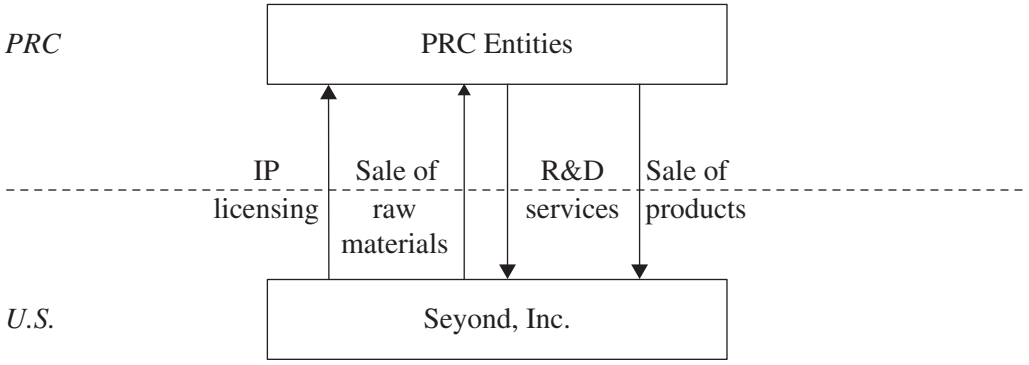
The Target Company's subsidiary in the United States is subjected to 21% federal tax rate. The operations in the United States could be also subject to state and local taxes.

Other Jurisdictions

No provision of tax was made in the historical financial information in Hong Kong, Ireland, and Germany, as we had no assessable profit in these jurisdictions during the Track Record Period.

INTRA-GROUP TRANSACTIONS

During the Track Record Period, our operations were mainly in the PRC and U.S. Our research and development activities began in Silicon Valley since our inception in the U.S. and has expanded into the PRC in order to capitalize on the human talent in both countries. Our production facilities are in the PRC to take advantage of the supply chain of LiDARs in the PRC.



As illustrated above, the following transactions were regarded as our major intra-group transactions among the PRC entities of the Target Group (the "PRC Entities") and Seyond, Inc. relating to our transfer pricing arrangement during the Track Record Period:

- IP licensing from Seyond, Inc. to PRC Entities to manufacture our products
- Procurement of raw materials in the U.S. by Seyond, Inc. as an agent of the PRC Entities
- Provision of R&D services from the PRC Entities to Seyond, Inc.
- Sale of products from the PRC Entities to Seyond, Inc., our operating entity in the U.S., which further sells our products to our U.S. customers

We have adopted transfer pricing arrangement amongst our group companies to regulate intra-group transactions and have taken various measures to ensure our compliance with relevant transfer pricing laws and regulations in jurisdictions where we operate, including: (i) monitoring of implementation of internal control policy on tax-related matters; (ii) identification of updates on transfer pricing laws and regulations and assessment of related risks on us; (iii) regular review on transfer pricing policy and exposure; and (iv) regularly monitor our pricing policy of intra-group transactions to ensure such transactions comply with the arm's length principle.

In respect of the cross-border arrangement between the PRC Entities and Seyond, Inc., we have engaged an independent tax adviser, which is an international professional accounting firm and is commonly known as one of the "Big Four" accounting firms, to conduct a transfer pricing study on our intra-group transactions annually. The intra-group transactions during the

Track Record Period were conducted, based on the transfer pricing study, to comply with the applicable transfer pricing rules and regulations, which require related party transactions to be carried out on an arm's length basis.

As confirmed by the Directors, our transfer pricing arrangements have not been challenged or investigated by any relevant tax authority in the PRC and U.S. during the Track Record Period and up to the Latest Practicable Date. Our transfer pricing documentation was prepared in accordance with the relevant transfer pricing laws and regulations and our transfer pricing arrangements have not been challenged or investigated by any relevant tax authority and has not received any notice from the tax authority indicating it will make a special tax adjustment in relation to transfer pricing issues for the past years.

Based on the above and taking into consideration the relevant laws and regulations relating to transfer pricing, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had observed the transfer pricing laws and regulations of the relevant jurisdiction and we were not aware of any inquiries, audit or investigation by any tax authority in the PRC and U.S. with respect to our intra-group transactions. The Directors are of the view that the potential additional tax liability in relation to transfer pricing for us, if any, shall be immaterial.

DISCUSSION OF RESULTS OF OPERATIONS

Five Months Ended May 31, 2025 Compared with The Same Period Ended 2024

Revenue

Our revenue increased by 0.8% from US$51.6 million in the five months ended May 31, 2024 to US$52.0 million in the five months ended May 31, 2025, primarily due to an increase in the revenue from sales of our Robin series from US$0.3 million in the five months ended May 31, 2024 to US$3.5 million in the same period in 2025, which was partially offset by the decrease of the sales of Falcon series to NIO.

Cost of Sales and Gross Loss

Our cost of sales decreased by 31.3% from US$65.9 million in the five months ended May 31, 2024 to US$45.3 million in the five months ended May 31, 2025, primarily due to a decrease in per-unit costs of our LiDAR solutions as a result of (i) the optimization of product design, which reduced per-unit costs, (ii) our "dual-supplier" strategy, which ensures supply relationships with at least two suppliers for critical raw materials and components, further contributed to cost efficiency and supply chain resilience, enabling us to negotiate more favorable material prices. We recorded a gross loss and gross loss margin of US$14.3 million and 27.8% in the five months ended May 31, 2024, respectively. In the same period in 2025, we achieved gross profit and gross profit margin of US$6.7 million and 12.9%, respectively, mainly due to the continuous cost reduction made available by the upgrade of our LiDAR solution products and technologies and the maturity of our supply chain.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 5.0% from US$3.9 million in the five months ended May 31, 2024 to US$3.8 million in the five months ended May 31, 2025, primarily due to a decrease in marketing activities.

Administrative Expenses

Our administrative expenses decreased by 29.7% from US$10.8 million in the five months ended May 31, 2024 to US$7.6 million in the five months ended May 31, 2025, primarily due to a decrease in the number of our administrative employees and severance payments.

Research and Development Expenses

Our research and development expenses decreased significantly by 34.5% from US$20.9 million in the five months ended May 31, 2024 to US$13.7 million in the five months ended May 31, 2025, primarily due to a decrease in the number of our R&D personnel as we have completed the early-stage R&D process of certain products of our Falcon series and Robin series, thereby requiring fewer personnel at this stage.

Fair Value Changes of Financial Instruments at FVTPL

Our fair value changes of financial instruments at FVTPL were a loss of US$21.9 million and a loss of US$1.3 million in the five months ended May 31, 2024 and 2025, respectively, primarily due to changes in fair value of our redeemable convertible preferred shares in the respective periods.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of US$74.3 million and US$21.5 million in the five months ended May 31, 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 31.8% from US$121.1 million in the year ended December 31, 2023 to US$159.6 million in the year ended December 31, 2024, primarily due to an increase in the amount of sales of our Falcon series LiDAR solutions from US$118.7 million in the year ended December 31, 2023 to US$153.7 million in the year ended December 31, 2024, driven by an increase in the sales volume of Falcon series LiDAR solutions from over 147,000 units in the year ended December 31, 2023 to over 218,000 units in the year ended December 31, 2024.

Cost of Sales and Gross Loss

Our cost of sales increased by 6.1% from US$163.5 million in the year ended December 31, 2023 to US$173.5 million in the year ended December 31, 2024, primarily due to an increase in production volume of our Falcon series LiDAR solutions. Our gross loss decreased significantly from US$42.4 million in the year ended December 31, 2023 to US$13.9 million in the year ended December 31, 2024, and our gross loss margin narrowed from 35.0% in the year ended December 31, 2023 to 8.7% in the year ended December 31, 2024. The narrowing gross loss margin was primarily due to a decrease in per-unit costs of our LiDAR solutions as a result of (i) the optimization of product design, which reduced per-unit costs, (ii) higher production volumes of the Falcon series LiDAR solutions, resulting in economies of scale as the fixed cost of sales remained relatively stable, and (iii) improved purchasing power from increased procurement volumes, enabling us to negotiate more favorable material prices. Additionally, our "dual-supplier" strategy, which ensures supply relationships with at least two suppliers for critical raw materials and components, further contributed to cost efficiency and supply chain resilience.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 10.9% from US$9.2 million in the year ended December 31, 2023 to US$8.2 million in the year ended December 31, 2024, primarily due to a decrease in our sales and marketing employees.

Administrative Expenses

Our administrative expenses increased by 16.9% from US$18.3 million in the year ended December 31, 2023 to US$21.4 million in the year ended December 31, 2024, primarily due to a severance expense incurred.

Research and Development Expenses

Our research and development expenses decreased significantly by 42.0% from US$63.8 million in the year ended December 31, 2023 to US$37.0 million in the year ended December 31, 2024, primarily due to (i) a significant decrease in cooperative research and development fee because our R&D collaborations for the development of ASIC chips was approaching conclusion as the ASIC chips achieve volume production by the end of 2023 and we did not incur such expense in the year ended December 31, 2024 (ii) a compensation amount of US$7.7 million pertained to compensation from NIO for R&D expenses already incurred by the Target Company related to R&D work on certain product in accordance with an agreement entered into between the Target Company and NIO in December 2024 and (iii) a decrease of US$8.9 million in R&D personnel expenses as a result of our measures to control spending.

Fair Value Changes of Financial Instruments at FVTPL

Our fair value changes of financial instruments at FVTPL were a loss of US$80.4 million and a loss of US$312.0 million in the year ended December 31, 2023 and 2024, respectively, primarily due to increases in fair value of our redeemable convertible preferred shares in the respective years.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of US$219.0 million and US$398.2 million in the year ended December 31, 2023 and 2024, respectively.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased significantly from US$66.3 million in 2022 to US$121.1 million in 2023, primarily due to an increase in the amount of sales of our Falcon series LiDAR solutions from US$65.0 million in 2022 to US$118.7 million in 2023. We began volume production and delivery of our Falcon series LiDAR solutions in 2022. As a result, the sales volume of Falcon series LiDAR solutions increased significantly from over 74,000 units in 2022 to over 147,000 units in 2023.

Cost of Sales and Gross Loss

Our cost of sales increased significantly from US$107.6 million in 2022 to US$163.5 million in 2023, primarily due to an increase in sales volume of our Falcon series LiDAR solutions. Our gross loss increased from US$41.3 million in 2022 to US$42.4 million in 2023, and our gross loss margin narrowed from 62.3% in 2022 to 35.0% in 2023. The narrowing gross loss margin was primarily due to a decrease in per-unit costs of our LiDAR solutions driven by (i) the optimization of product design, which reduced per-unit costs, (ii) higher production volumes of the Falcon series LiDAR solutions, resulting in economies of scale as the fixed cost of sales remained relatively stable, and (iii) improved purchasing power from increased procurement volumes, enabling us to negotiate more favorable material prices. Additionally, our "dual-supplier" strategy, which ensures supply relationships with at least two suppliers for critical raw materials and components, further contributed to cost efficiency and supply chain resilience.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 33.3% from US$6.9 million in 2022 to US$9.2 million in 2023, primarily due to (i) an increase in sales and marketing headcount in order to establish relationships with new customers and expand market presence in key markets such as China; and (ii) an increase in marketing activities, including attending trade shows and other promotional events in order to boost our brand image in our target markets.

Administrative Expenses

Our administrative expenses increased by 20.4% from US$15.2 million in 2022 to US$18.3 million in 2023, primarily due to (i) an increase in administrative headcount in order to provide administrative and managerial support for the development and commercialization of new products, as well as for the overall expansion of our business; and (ii) an increase in facilities expense and other office supplies due to increased headcount.

Research and Development Expenses

Our research and development expenses decreased by 18.3% from US$78.1 million in 2022 to US$63.8 million in 2023, primarily because our R&D collaborations for the development of ASIC chips was approaching conclusion as the ASIC chips achieve volume production by the end of 2023, which was partially offset by an increase of payroll and employee benefits due to an increase in R&D headcount to strengthen our R&D capability.

Fair Value Changes of Financial Instruments at FVTPL

Our fair value changes of financial instruments at FVTPL were a loss of US$43.3 million in 2022 and a loss of US$80.4 million in 2023, primarily due to increases in fair value of our redeemable convertible preferred shares in the respective years.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of US$188.2 million and US$219.0 million in 2022 and 2023, respectively.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The following table sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountant's Report included in Appendix I to this circular.

	As of December 31,			As of May 31,
	2022	**2023**	**2024**	**2025**
		(US$ in thousands)		
Non-current assets	24,210	38,346	49,963	47,334
Current assets	194,224	215,934	126,707	116,095
Total assets	**218,434**	**254,280**	**176,670**	**163,429**
Current liabilities	128,547	148,989	125,299	130,161
Net current assets/(liabilities)	**65,677**	**66,945**	**1,408**	**(14,066)**
Non-current liabilities	451,542	679,914	1,023,394	1,026,308
Total liabilities	**580,089**	**828,903**	**1,148,693**	**1,156,469**
Net liabilities	**(361,655)**	**(574,623)**	**(972,023)**	**(993,040)**

Our net liabilities increased from US$361.7 million as of December 31, 2022 to US$574.6 million as of December 31, 2023, primarily due to total comprehensive expenses for the year of US$216.4 million in 2023; partially offset by recognition of equity-settled share-based payment expense of US$1.3 million. Our net liabilities further increased from US$574.6 million as of December 31, 2023 to US$972.0 million as of December 31, 2024, primarily due to total comprehensive expense for the year of US$398.2 million. Our net liabilities further increased from US$972.0 million as of December 31, 2024 to US$993.0 million as of May 31, 2025, primarily due to total comprehensive expense of US$21.3 million in five months ended May 31, 2025. As our redeemable convertible preferred shares shall be converted into ordinary shares immediately before the completion of the De-SPAC Transaction, such preferred shares will be re-classified from liabilities to equity upon the Listing. See "Risk Factors – Risks Related to the Target Group's Business and Industry – We recorded net liabilities in the past, and recorded net current liabilities as of May 31, 2025 which might expose us to certain liquidity risks and could constrain our operational flexibility."

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of May 31,	As of September 30,
	2022	2023	2024	2025	2025
	(US$ in thousands)				*(unaudited)*
CURRENT ASSETS					
Inventories	32,147	37,631	20,478	22,139	24,839
Trade and other receivables and prepayment	48,814	54,867	62,089	69,570	69,222
Receivables at fair value through other comprehensive income ("FVTOCI")	–	–	–	2,317	7,382
Financial asset at FVTPL	–	–	1,000	–	–
Restricted bank balances	130	130	130	130	130
Time deposits	–	16,000	–	–	–
Cash and cash equivalents	113,133	107,306	43,010	21,939	19,376
	194,224	**215,934**	**126,707**	**116,095**	**120,949**

	As of December 31,			As of May 31,	As of September 30,
	2022	2023	2024	2025	2025
	(US$ in thousands)				
					(unaudited)
CURRENT LIABILITIES					
Trade and other payables	103,024	103,456	77,020	77,060	86,731
Borrowings	22,469	41,009	29,573	30,458	39,108
Lease liabilities	2,163	3,235	2,696	2,930	2,806
Warranty liabilities	623	1,149	2,124	2,506	2,499
Other current liabilities	–	–	13,784	17,073	24,359
Contract liabilities	268	140	102	134	43
	128,547	**148,989**	**125,299**	**130,161**	**155,546**
NET CURRENT ASSETS/ (LIABILITIES)	**65,677**	**66,945**	**1,408**	**(14,066)**	**34,597**

Our net current liabilities increased from US$14.1 million as of May 31, 2025 to US$34.6 million as of September 30, 2025, primarily due to an increase of trade and other payables of US$9.7 million, an increase in short-term borrowings of US$8.7 million, and an increase in other current liabilities of US$7.3 million, partially offset by an increase of receivables at fair value through other comprehensive income of US$5.1 million.

Our net current assets of US$1.4 million as of December 31, 2024 decreased to net current liabilities of US$14.1 million as of May 31, 2025, primarily due to (i) a significant decrease in cash and cash equivalents of US$21.1 million and (ii) an increase in other current liabilities of US$3.3 million, partially offset by an increase in trade and other receivables and prepayment of US$7.5 million, primarily due to our increased sales volume.

Our net current assets decreased from US$66.9 million as of December 31, 2023 to US$1.4 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents of US$64.3 million, reflecting net cash used in our operating activities of approximately US$46.5 million and net cash used in our financing activities of approximately US$10.0 million.

Our net current assets remained relatively stable at US$65.7 million as of December 31, 2022 and US$66.9 million as of December 31, 2023, respectively.

Going forward, we will closely monitor and manage our cash position and cash requirements to ensure that we have sufficient working capital for our operations. We will review our cash position and cash requirements on a regular basis to determine the usage and allocation of cash in our operations, optimize our capital structure, and meet our working capital needs. The measures we may implement in order to improve our net current liabilities position include (i) improving our product gross profit to reduce losses, (ii) optimizing inventory management by prioritizing the consumption of older inventory to reduce capital occupation, (iii) seeking low-cost financing to replace high-interest debt and secure long-term credit facilities, and (iv) strengthening accounts receivable management by controlling our customer credit evaluation system, reducing non-performing accounts receivable, actively following up on overdue payments, and accelerating the collection cycle for accounts receivable. We anticipate moving towards a net asset position, bolstered by improved operational outcomes, more strategic financing arrangements, increased shareholder contributions following the De-SPAC Transaction, effective debt management, assets optimization, and enhanced working capital management.

Assets

Inventories

Our inventories primarily consist of raw materials, work-in-progress and finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,			As of May 31,
	2022	**2023**	**2024**	**2025**
	(US$ in thousands)			
Raw materials	30,456	24,674	10,882	12,933
Work-in-progress	22	2	–	–
Finished goods.	1,669	12,955	9,596	9,206
	32,147	**37,631**	**20,478**	**22,139**

Our inventories increased from US$32.1 million as of December 31, 2022 to US$37.6 million as of December 31, 2023, primarily due to an increase in finished goods in line with our business growth. Our inventories subsequently decreased to US$20.5 million as of December 31, 2024, primarily because the raw materials in the inventory decreased, due to a reduced per-unit costs of our LiDAR solution and a better inventory management. Our inventories then further increase to US$22.1 million as of May 31, 2025, primarily due to the mass production and increased sales volume of Robin series.

Our inventory turnover days was 66.7 days, 77.9 days, 61.1 days and 71.1 days in 2022, 2023, 2024 and five months ended May 31, 2025, respectively. The increase in inventory turnover days from 2022 to 2023 was primarily due to the increase in finished goods for delivery as of December 31, 2023, in line with our business growth. The decrease in inventory turnover days from 2023 to 2024 was primarily because the raw materials in the inventory decreased, due to a reduced per-unit costs of our LiDAR solution and a better inventory management. The increase in inventory turnover days from 2024 to the five months ended May 31, 2025 was primarily due to the optimization of product design and lower raw material prices, which led to a decrease in the cost of sales. The following table sets forth our inventory turnover days for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,
	2022	2023	2024	2025
	(days)			
Inventory turnover days[(1)]	66.7	77.9	61.1	71.1

Note:

(1) Inventory turnover days were calculated based on the average of opening and closing inventory balance (net of provision for inventory) for the relevant period, divided by the cost of sales for the same period, and multiplied by 365 days for the year ended December 31 or 151 days for the five months ended May 31, 2025.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
0 to 90 days	27,383	28,444	17,913	20,323
91 to 180 days	4,402	3,142	1,356	547
181 to 365 days	362	5,831	1,005	1,072
Over 365 days	–	214	204	197
Total	**32,147**	**37,631**	**20,478**	**22,139**

During the Track Record Period, we did not experience any recoverability issues for inventories. We have in place dedicated personnel who continually monitor aging conditions of our inventories with a view to identify obsolete and slow-moving inventories so that we can promptly take appropriate remedial measures accordingly. Our management also reviews the recoverability of our inventories as of the end of each period to ensure that adequate impairment losses are made for irrecoverable amounts.

In 2022, 2023, 2024, and the five months ended May 31, 2024 and 2025, we recorded write-down of inventories of US$0.4 million, US$6.1 million, US$4.5 million, US$3.6 million and US$1.6 million, respectively. Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale, including incremental costs directly attributable to the sale and non-incremental costs that are essential for completing the sale. We assess impairment to inventories from time to time during the Track Record Period and may write down our inventories to the net realizable value if the inventories become expired or damaged, or their prices went down, and their realizable value substantially decreases. We believe sufficient write-down of inventories has been made.

In light of the foregoing, we do not expect to experience any material issue in recoverability of inventories in the foreseeable future.

As of September 30, 2025, approximately US$14.8 million, or 67.0%, of our inventories as of May 31, 2025 had been subsequently consumed.

Trade and Other Receivables and Prepayment

Our net trade receivables consist primarily of outstanding amounts payable by customers in our ordinary course of business. Our trade receivables decreased from US$37.8 million as of December 31, 2022 to US$32.2 million as of December 31, 2023, primarily due to shortened credit terms from a major customer as of the end of 2023 as compared to that of 2022. Our trade receivables remained relatively stable at US$32.2 million and US$30.4 million as of December 31, 2023 and 2024, respectively. Our trade receivables increased from US$30.4 million as of December 31, 2024 to US$36.6 million as of May 31, 2025, primarily due to the increase in our sales volume to NIO in May 2025 for NIO's production needs.

Our other receivables and prepayment primarily include prepaid expenses in the ordinary course of business, value-added tax receivable, deferred issue cost in relation to this De-SPAC Transaction, rental deposits and an one-off compensation for R&D expense. Our value-added tax receivable increased significantly from US$7.1 million as of December 31, 2022 to US$19.3 million as of December 31, 2023, primarily due to our gross loss margins in 2022 and 2023, which resulted in input value-added tax consistently exceeding output value-added tax. A compensation for R&D expense of US$8.2 million receivable as of December 31, 2024 pertained to compensation from NIO for R&D expenses already incurred by the Target Company related to R&D work on certain product in accordance with an agreement entered

into between the Target Company and NIO in December 2024. Our other receivables and prepayment remained relatively stable at US$32.3 million as of December 31, 2024 and US$33.5 million as of May 31, 2025.

The following table sets forth a breakdown of trade and other receivables and prepayment and other non-current assets as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
Trade receivables	37,766	32,365	31,945	38,040
Less: Impairment loss allowance for trade receivables	(15)	(168)	(1,575)	(1,421)
	37,751	32,197	30,370	36,619
Other receivables and prepayments				
Prepaid expenses	3,561	3,308	2,683	3,336
Value added tax receivable	7,115	19,264	20,606	19,955
Compensation for R&D expense	–	–	8,191	9,221
Deferred issue cost	–	–	115	173
Rental deposits (non-current)	385	291	497	504
Others	650	354	160	302
	11,711	23,217	32,252	33,491
	49,462	**55,414**	**62,622**	**70,110**
Analyzed as:				
Non-current	648	547	533	540
Current	48,814	54,867	62,089	69,570
	49,462	**55,414**	**62,622**	**70,110**

We provide invoices to and make settlements with the customers on a monthly basis, and may allow a reasonable credit period to certain customers after invoicing them, as stipulated in the relevant agreements. The following table sets forth an aging analysis of trade receivables, net of impairment loss allowance and allowance for credit losses, presented based on invoice date as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
0 to six months	37,533	30,932	28,825	34,568
Six months to one year	161	1,233	1,268	1,034
One to two years	57	11	277	1,001
Over two years	–	21	–	16
Total	**37,751**	**32,197**	**30,370**	**36,619**

Our trade receivable turnover days were 111.3 days, 105.4 days, 71.6 days and 97.3 days in 2022, 2023, 2024 and for the five months ended May 31, 2025, respectively. The decrease in trade receivable turnover days during the Track Record Period was primarily due to shortened credit terms from a major customer, as agreed by both parties and driven by our long-term cooperation with established trust. The trade receivable turnover days increased in the five months ended May 31, 2025, primarily because our trade receivables increased from US$30.4 million as of December 31, 2024 to US$36.6 million as of May 31, 2025, primarily due to the increase in our sales volume to NIO in May 2025. The following table sets forth our trade receivable turnover days for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,
	2022	2023	2024	2025
	(days)			
Trade receivable turnover days[(1)]	111.3	105.4	71.6	97.3

Note:

(1) Trade receivable turnover days were calculated based on the average of opening and closing trade receivable balance (net of loss allowance) for the relevant period, divided by revenue for the same period, and multiplied by 365 days for the year ended December 31 or 151 days for the five months ended May 31, 2025.

As of December 31, 2022, 2023, 2024 and May 31, 2025, we recorded impairment loss allowance for trade receivables of US$15 thousand, US$168 thousand, US$1.6 million and US$1.4 million, respectively. We determine the expected credit loss for these items on an individual basis for customers with significant outstanding balances. For the remaining balances, the expected credit loss is estimated collectively using a provision matrix. This estimation is based on historical credit loss experience, considering the debtor's past default history, the general economic conditions of the industry in which the debtor operates, and an evaluation of both the current conditions at the reporting date and the forecasted future conditions.

Throughout the Track Record Period, we have not experienced material recoverability issues for our trade and other receivables and prepayment. Going forward, we plan to more actively manage our trade receivables collection and related liquidity conditions through (i) regularly review the aging schedule of receivables to identify and address overdue accounts promptly, (ii) consider using factoring services or invoice financing to improve cash flow, (iii) incentivize our finance and business team based on receivable turnover performance, and (iv) negotiate better payment terms with suppliers to manage our cash flow more effectively which can provide more flexibility in managing receivables.

As of September 30, 2025, approximately US$32.5 million, or 85.4%, of our trade receivables as of May 31, 2025 had been subsequently settled.

Restricted Bank Balances

Restricted bank balances comprised of bank deposits that are restricted to withdrawal or use under the terms of certain contractual agreements. The restricted bank deposits will be released upon the satisfaction of the terms in accordance with the relevant contractual agreements. Such contractual agreements are entered into with independent third-party service providers that construct manufacturing facility for us. See Note 24 to the Accountant's Report in Appendix I to this circular for more details.

Property and Equipment

Our property and equipment consists primarily of our machinery and production equipment, construction in progress, leasehold improvement, and fixtures and office equipment. Our property and equipment was US$18.2 million, US$23.6 million, US$30.9 million and US$29.8 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. The increase in our property and equipment from 2022 to 2024 was primarily due to the expansion of our production facilities. The decrease in our property and equipment from December 31, 2024 to May 31, 2025 was primarily due to regular depreciation of our leasehold improvement, fixtures and office equipment.

Right-of-use Assets

Our right-of-use assets primarily relates to our leased buildings for our operations. Our right-of-use assets was US$5.0 million, US$10.0 million, US$7.7 million and US$6.5 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. The increase in our right-of-use assets from December 31, 2022 to December 31, 2023 was primarily due to new leases in line with our business expansion. The decrease in our right-of-use assets from December 31, 2023 to December 31, 2024 was primarily due to the depreciation. The decrease in our right-of-use assets from December 31, 2024 to May 31, 2025 was primarily due to the depreciation.

Intangible Assets

Our intangible assets relate to software and assets under installation purchased to support our regular business operations. Our intangible assets were US$0.4 million, US$2.8 million, US$2.4 million and US$2.0 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

Financial asset at FVTPL

Financial asset at FVTPL represents the our bond funds investment in 2024. Our financial asset at FVTPL were nil, nil, US$1.0 million and nil as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

We have established a treasury management policy, which has clarified the principles of our investment, the scope of investment and the decision-making process of investment.

According to our treasury management policy, our investment scope includes, but is not limited to, wealth management products investment, equity investment, etc. The investment shall meet the requirements of our development strategy and business objectives. Sufficient market research, risk assessment and due diligence shall be conducted prior to any investment, and a detailed investment plan shall be formed before the investment is made, which shall be approved by the person in charge of the financial department, the person in charge of the legal department, the person in charge of the corporate development department, our CFO and our CEO. Investment with significant amount shall be approved by the Board of Directors. Both the financial department and the corporate development department carry out regular evaluation and preparation of investment reports and report to our CFO, CEO and the Board of Directors for approval.

The investment in such financial assets at FVTPL after the Listing will be subject to the compliance with Chapter 14 of the Listing Rules. We have also established a information disclosure policy in compliance with the Listing Rules, and we will make corresponding disclosure of all investments in accordance with the requirements of the policy and the Listing Rules.

Liabilities

Trade, Bill and Other Payables

Our trade and bill payables arise from payment obligations during our regular course of business. Our trade and bill payables remained relatively stable at US$91.6 million as of December 31, 2022 and US$90.8 million as of December 31, 2023. Our trade and bill payables decreased from US$90.8 million as of December 31, 2023 to US$62.7 million as of December 31, 2024, primarily due to an installment payment schedule agreement we entered into for ASIC chip development, which resulted in the accounting treatment that categorized the remaining fees payable to other current liabilities and long term payables. Our trade and bill payables further increased from US$62.7 million as of December 31, 2024 to US$64.0 million as of May 31, 2025, primarily due to an extension of the payment period.

Other payables primarily include salary and bonus payables, accrued legal and professional expenses, and payables for acquisition of property and equipment. Our salary and bonus payables increased from US$4.5 million as of December 31, 2022 to US$6.0 million as of December 31, 2023, US$6.5 million as of December 31, 2024 and further to US$7.1 million as of May 31, 2025, primarily due to an increase in staff headcount and salary level to support our business growth. Our accrued legal and professional expenses increased from US$2.4 million as of December 31, 2022 to US$3.1 million as of December 31, 2023, primarily due to an increase in the amount of professional and legal services engaged in relation to our financing activities. Our accrued legal and professional expenses decreased to US$1.9 million as of December 31, 2024, and further decreased to US$0.7 million as of May 31, 2025, since we did not incur expenses related to the Previous U.S. Listing Attempt in 2024 and we settled a portion of listing expense incurred.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
Trade payables	91,648	90,778	62,653	60,937
Bill payables	–	–	–	3,022
Other payables				
Salary and bonus payables	4,534	6,005	6,545	7,087

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
Accrued legal and professional expenses	2,387	3,106	1,944	689
Accrued issue cost	–	–	91	37
Accrued listing expense	–	–	1,962	799
Current income tax payables	508	497	729	955
Payables for acquisition of property and equipment	2,148	1,917	1,772	1,088
Other tax payables	1,627	222	494	209
Interest payables	26	31	781	2,163
Others	146	900	49	74
Subtotal	11,376	12,678	14,367	13,101
Total	**103,024**	**103,456**	**77,020**	**77,060**

The following table sets forth the aging analysis based on invoice dates of our trade payables as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	(US$ in thousands)			
0-30 days	90,976	51,712	31,544	30,478
31-180 days	200	31,048	31,064	26,865
181-365 days	472	8,018	45	3,594
Total	**91,648**	**90,778**	**62,653**	**60,937**

As of September 30, 2025, approximately US$36.6 million, or 66.1%, of our trade payables as of May 31, 2025 had been subsequently settled.

The following table sets forth our trade and bill receivable turnover days for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,
	2022	2023	2024	2025
Trade and bill payable turnover days[(1)]	161.1	203.7	161.4	211.2

Note:

(1) Trade and bill payable turnover days were calculated based on the average of opening and closing trade and bill payable balance for the relevant period, divided by the cost of sales for the same period, and multiplied by 365 days for the year ended December 31 or 151 days for the five months ended May 31, 2025.

The increase in trade and bill payable turnover days from 2022 to 2023 was primarily due to that we achieved volume production of Falcon series in 2022 and the opening of trade payable balance for 2022 resulting from the procurement of raw materials is small. The decrease in trade and bill payable days from 2023 to 2024 was primarily due to an installment payment schedule agreement we entered into for ASIC chip development, which resulted in the accounting treatment that categorized the remaining fees payable to other current liabilities and long term payables. The increase in trade and bill payable turnover days from 2024 to the five months ended in May 31, 2025 was primarily due to the extension of the payment period, resulting from our stronger bargaining power in the raw material procurement.

Long Term Payables

Long term payables represent our long term payment obligation to ASIC chip development expenditure. Our long term payables were nil, nil, US$27.6 million and US$24.8 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our long term payables of US$27.6 million as of December 31, 2024 was primarily due to an installment payment schedule agreement we entered into for developing ASIC chip development, which resulted in the accounting treatment that categorized the remaining fees payable to other current liabilities and long term payables. Our long term payables further decreased to US$24.8 million as of May 31, 2025, was primarily because we entered into another supplementary agreement with NIO in February 2025 related to the Agreement to further extend the payment schedule, with the payment of principal within one year recorded as other current liabilities and only portion of payment of principal over one year was recorded as long term payables.

Financial Liabilities at FVTPL

Financial liabilities at FVTPL represents our redeemable convertible preferred shares and redeemable preferred equity, which include Series Seed Preferred Shares, Series A Preferred Shares, Series A-1 Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares and Series D Preferred Shares. Our financial liabilities at FVTPL were US$447.5 million, US$670.1 million, US$982.1 million and US$987.5 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Changes in financial liabilities at FVTPL were primarily due to changes in their fair values. We engaged an independent third-party valuer to assess the fair value of our financial liabilities at the end of each year during the Track Record Period.

Warranty Liabilities

Warranty liabilities represents our best estimate of our liability under our three-year assurance-type warranty granted to customers regarding our LiDAR solutions, which is based on prior commercial experience and industry averages for defective products. We routinely adjust such estimates and revise when appropriate. Our warranty liabilities were US$1.7 million, US$2.5 million, US$4.1 million and US$4.1 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. The increase in our warranty liabilities from 2022 to 2024 was primarily due to the increase in sales volume of our LiDAR solutions. Our warranty liabilities remained stable from December 31, 2024 to May 31, 2025.

Borrowings

See "– Indebtedness – Borrowings."

Lease Liabilities

See "– Indebtedness – Lease Liabilities."

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from debt financing and capital contributions from shareholders. After the De-SPAC Transaction, we intend to finance our future capital requirements through operating cash inflow in addition to equity financing activities (including proceeds from this De-SPAC Transaction) and debt financing activities. We do not anticipate any changes to the availability of financing to fund our operation in the future.

The following table sets forth a summary of our cash flows for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	(US$ in thousands)				
				(unaudited)	
Cash used in operations	(109,380)	(134,570)	(47,175)	(49,194)	(24,560)
Income tax paid	(77)	(820)	(509)	(497)	–
Interest received	1,262	2,267	1,228	420	210
Net cash used in operating activities	(108,195)	(133,123)	(46,456)	(49,271)	(24,350)
Net cash used in investing activities	(14,372)	(31,445)	(7,222)	(7,493)	(1,079)
Net cash from (used in) financing activities	139,804	159,115	(9,962)	(4,618)	4,136
Net increase (decrease) in cash and cash equivalents	17,237	(5,453)	(63,640)	(61,382)	(21,293)
Cash and cash equivalents at the beginning of the year/period	97,764	113,133	107,306	107,306	43,010
Effect of foreign exchange rate changes	(1,868)	(374)	(656)	161	222
Cash and cash equivalents at the end of the year/period	113,133	107,306	43,010	46,085	21,939

Net Cash Used in Operating Activities

In the five months ended May 31, 2025, our net cash used in operating activities was US$24.4 million. The difference between our loss for the five months of US$21.5 million and the net cash used in operating activities was mainly adjusted by movements in working capital, including increase in trade and other receivables and prepayment of US$6.4 million and increase in inventories of US$3.0 million, primarily due to an increase in the total sales amount of Robin series, partially offset by (i) depreciation of property and equipment of US$2.8 million, (ii) finance costs of US$2.3 million, primarily due to the interest incurred on long term payables and borrowings, and (iii) write-down of inventories of US$1.6 million.

In the year ended December 31, 2024, our net cash used in operating activities was US$46.5 million. The difference between our loss for the year of US$398.2 million and the net cash used in operating activities was mainly due to movements in working capital, including (i) a decrease in inventories of US$11.5 million, primarily because the raw materials in the inventory decreased, due to a reduced per-unit costs of our LiDAR solution and a better inventory management; and (ii) an increase in trade and other payables, other current liabilities and long term payables (considered in total primarily due to an installment payment schedule agreement we entered into for ASIC chip development, which resulted in the accounting treatment that categorized the remaining fees payable from trade and other payables to other

current liabilities and long term payables) of US$17.9 million, primarily due to an increase in trade payable to our suppliers in line with our business growth. The amount was further offset by non-cash items, primarily including fair value changes of financial instruments at FVTPL of US$312.0 million.

In the year ended December 31, 2023, our net cash used in operating activities was US$133.1 million. The difference between our loss for the year of US$219.0 million and the net cash used in operating activities was mainly due to movements in working capital, including an increase in trade and other payables of US$4.4 million, primarily due to an increase in salary and bonus payables as a result of an increase in staff headcount and salary level; partially offset by an increase in inventories of US$12.4 million, in line with our business growth. The amount was further offset by non-cash items, primarily including fair value changes of financial liabilities at FVTPL of US$80.4 million.

In 2022, our net cash used in operating activities was US$108.2 million. The difference between our loss for the year of US$188.2 million and the net cash used in operating activities was mainly due to movements in working capital, including an increase in trade and other payables of US$92.9 million, primarily due to an increase in trade payables as we commenced volume production and delivery of our Falcon series LiDAR solutions in 2022; partially offset by an increase in trade and other receivables and prepayment of US$39.7 million, primarily due to the commencement of volume production and delivery of our Falcon series LiDAR solutions in 2022. The amount was further offset by non-cash items, primarily including fair value changes of financial liabilities at FVTPL of US$43.3 million.

Net Cash Used in Investing Activities

In the five months ended May 31, 2025, our net cash used in investing activities was US$1.1 million, primarily due to purchase of property and equipment of US$2.3 million, partially offset by the redemption of wealth management product of US$1.0 million.

In the year ended December 31, 2024, our net cash used in investing activities was US$7.2 million, primarily due to (i) purchase of property and equipment of US$14.4 million related to the new production facility in PRC; and (ii) placement of restricted bank deposits for loan facility of US$7.0 million and partially offset by withdrawal of time deposits of US$16.0 million.

In 2023, our net cash used in investing activities was US$31.4 million, primarily due to (i) placement of time deposits of US$16.0 million; and (ii) purchase of property and equipment of US$11.1 million related to the new production facility in PRC.

In 2022, our net cash used in investing activities was US$14.4 million, primarily due to purchase of property and equipment of US$14.1 million related to the new production facility in PRC.

Net Cash Generated from/(Used in) Financing Activities

In the five months ended May 31, 2025, our net cash from financing activities was US$4.1 million, primarily due to new borrowings raised of US$17.8 million and proceeds from issuance of Pinghu's redeemable preferred equity financing of US$4.1 million, partially offset by repayment of borrowings of US$16.0 million.

In the year ended December 31, 2024, our net cash used in financing activities was US$10.0 million, primarily due to (i) repayment of borrowings of US$60.3 million; and (ii) repayment of lease liabilities of US$3.2 million; partially offset by new borrowings raised of US$55.5 million in the year ended December 31, 2024.

In 2023, our net cash generated from financing activities was US$159.1 million, primarily due to (i) proceeds from issuance of redeemable convertible preferred shares of US$142.2 million; and (ii) new borrowings raised of US$42.4 million; partially offset by repayment of borrowings of US$21.6 million.

In 2022, our net cash generated from financing activities was US$139.8 million, primarily due to (i) proceeds from issuance of redeemable convertible preferred shares of US$121.3 million; and (ii) new borrowings raised of US$22.5 million; partially offset by repayment of lease liabilities of US$1.9 million.

Working Capital

As of May 31, 2025, we had US$21.9 million in cash and cash equivalents. We plan to improve working capital sufficiency by (i) effectively attracting and retaining our customers and users to drive our revenue growth and profitability, (ii) continuing to create value for customers and users to explore additional monetization opportunities that help us scale up our revenue and to achieve profitability, and (iii) effectively managing our cost and expenses by improving our operational efficiency. In addition, to manage our inventory turnovers, trade and notes receivables, and liquidity in general more effectively, we aim to (i) implement stricter credit control measures, (ii) enhance our collection efforts, and (iii) regularly review our credit policies to ensure they align with our business and market conditions. We may also raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from government or financial institutions. We will continue to monitor our cash flows from operations closely.

We intend to finance our future working capital requirements and capital expenditures primarily from cash expected to be generated from operating activities and funds raised from financing activities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected. See "Risk Factors – Risks Related to Target Group's Business and Industry – We may need

additional capital to meet our operating cash and capital expenditure requirements, and financing may not be available on acceptable terms to us, or at all. If we fail to obtain such financing, we may be forced to delay, reduce or eliminate some or all of our research, development and commercialization efforts relating to our products."

Our Directors are of the opinion that taking into account the financial resources available to us, including our existing cash and cash equivalents, available bank facilities, and the estimated net proceeds from the De-SPAC Transaction, we have sufficient working capital for our present requirements and for the next 12 months from the date of this circular.

CAPITAL EXPENDITURES

Our principal capital expenditures primarily consist of payments for property and equipment and intangible assets. The following table sets forth our capital expenditures for the periods indicated.

	Year Ended December 31,			Five Months Ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(US$ in thousands)				
				(unaudited)	
Payments for property and equipment	14,101	11,074	14,357	6,866	2,328
Payments for intangible assets	271	2,958	984	627	107
Total	**14,372**	**14,032**	**15,341**	**7,493**	**2,435**

We expect to finance our capital expenditures through cash generated from operations and cash generated from our pre-Listing financing activities. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, market conditions and various other factors. See also "Future Plans and Use of Proceeds – Use of Proceeds."

INDEBTEDNESS

During the Track Record Period, our indebtedness mainly consisted of borrowing, lease liabilities and financial liabilities at FVTPL. As of September 30, 2025, we had borrowings of US$46.4 million, of which US$22.3 million were secured and guaranteed and the remaining US$24.1 million were unsecured and unguaranteed. As of September 30, 2025, we had lease

liabilities of US$5.8 million, which were secured and unguaranteed. As of September 30, 2025, we also had financial liabilities at FVTPL of US$1,002.4 million, which were unsecured and unguaranteed. The following table sets forth details of our indebtedness as of the dates indicated:

	As of December 31,			As of May 31,	As of September 30,
	2022	2023	2024	2025	2025
	(US$ in thousands)				*(unaudited)*
Current					
Borrowings	22,469	41,009	29,573	30,458	39,108
Lease liabilities	2,163	3,235	2,696	2,930	2,806
Non-current					
Borrowings	–	1,695	7,000	8,350	7,273
Lease liabilities	3,016	6,775	4,729	3,958	2,973
Financial liabilities at FVTPL	447,498	670,111	982,136	987,546	1,022,373
Total	**475,146**	**722,825**	**1,026,134**	**1,033,242**	**1,074,533**

Borrowings

The amount of our borrowings is adjusted based on our operation and capital expenditure need. Our balance for borrowing was US$22.5 million, US$42.7 million, US$36.6 million and US$46.4 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively. The effective interest rate of these borrowings ranges from 2.80% to 7.00%. Our bank borrowings were primarily used to fund our working capital requirements. None of our borrowings was secured or guaranteed.

As of September 30, 2025, we had utilized facilities in the amount of US$46.4 million, and committed unutilized banking facilities of US$88.0 million, which can be drawn down without being restricted by any loan covenants.

Generally, the bank loan agreements we have entered into contain covenants that impose certain restrictions or maintenance requirements on the Target Company. The utilization of the remaining balance of this secured banking facilities is subject to terms customary to such facility agreements.

For details, see Note 26 to the Accountants' Report included in Appendix I to this circular. There is no change of securities and guarantees of the borrowings after May 31, 2025.

Our Directors further confirm that we had no defaults in bank and other borrowings, nor did we breach any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our office premises and production facilities. The following table sets forth a breakdown of our lease liabilities by age as of the dates indicated.

	As of December 31,			As of May 31,	As of September 30,
	2022	2023	2024	2025	2025
	(US$ in thousands)				*(unaudited)*
Lease liabilities payable:					
Within one year	2,163	3,235	2,696	2,930	2,806
Within a period of more than one year but not exceeding two years	1,865	2,001	2,471	2,010	1,933
Within a period of more than two years but not exceeding five years	1,151	4,774	2,258	1,948	1,040
	5,179	10,010	7,425	6,888	5,779
Less: Amounts due for settlement within 12 months shown under current liabilities	(2,163)	(3,235)	(2,696)	(2,930)	(2,806)
Amounts due for settlement after 12 months shown under non-current liabilities	3,016	6,775	4,729	3,958	2,973

Our lease liabilities secured by rental deposits, including current and non-current portion, amounted to US$5.2 million, US$10.0 million, US$7.4 million and US$5.8 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively. The increase in the balance of our lease liabilities as of December 31, 2023 was primarily due to new leases in line with our business expansion and decrease in the balance of our lease liabilities over time was primarily because the remaining lease terms shortened.

Save as otherwise disclosed, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts, borrowings or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other material contingent liabilities as of September 30, 2025, being the latest practicable date for our indebtedness statement. Our Directors confirm that, as of the Latest Practicable Date, there had no material change in our indebtedness since

September 30, 2025. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. There was no material defaults on trade and non-trade payables during the Track Record Period and up to the date of the Circular.

ADDITIONAL DE-SPAC TRANSACTION EXPENSES

The additional De-SPAC Transaction expenses incurred by the Successor Group is calculated for pro forma financial information purpose. Assuming the De-SPAC Transaction was completed on January 1, 2024, the additional expenses for the year ended December 31, 2024 are estimated to be US$52.1 million (under Scenario I) and US$34.8 million (under Scenario II), with details set out in notes 4 and 6 in "Appendix III – Unaudited Pro Forma Financial Information of the Successor Group – C. Notes to the Unaudited Pro Forma financial information of the Successor Group". The following sets forth the details of the two scenarios:

- **Assuming no Share Redemptions (Scenario I):** This presentation assumes that no TechStar Class A Shareholders exercise their rights to redeem any of their shares of TechStar Class A Shares and thus the full amount held in the Escrow Account at Closing is available to the De-SPAC Transaction.

- **Assuming maximum Share Redemptions (Scenario II):** This presentation assumes that 100,100,000 shares of TechStar Class A Shares are redeemed, which represents the maximum amount of redemption. The Scenario II is prepared based on the same assumptions under Scenario I, with additional adjustments to reflect the effect of maximum redemptions.

Such expenses represent (i) the deemed expenses incurred by the Target Company, which is the difference between the fair value of the shares issued by the Target Company in excess of the fair value of the adjusted net assets of TechStar, the calculation of which is set out in note 6 to the unaudited pro forma financial information of the Successor Group in "Appendix III – Unaudited Pro Forma Financial Information of the Successor Group"; (ii) the warrant liabilities; and (iii) the interest expense adjustment of TechStar, which is subject to changes based on valuation.

CONTRACTUAL OBLIGATIONS

Capital Commitments

We have no capital commitment as of December 31, 2022, 2023, 2024 and May 31, 2025.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Company.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

RELATED PARTY TRANSACTIONS AND BALANCES

We may enter into transactions with our related parties from time to time. During the Track Record Period, the Target Group does not enter into related party transactions. For details, see Note 36 to the Accountant's Report included in Appendix I to this circular. Our Directors are of the view that each of the related party transactions of the Target Company set out in Note 36 to the Accountant's Report included in Appendix I to this circular was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that related party transactions of the Target Company during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

KEY FINANCIAL RATIOS

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

	Year Ended/As of December 31,			Five months Ended/As of
	2022	2023	2024	May 31, 2025
Revenue growth rate (%)	1,355.6	82.7	31.8	0.8
Gross margin (%)	(62.3)	(35.0)	(8.7)	12.9
Trade receivable turnover days (days)	111.3	105.4	71.6	97.3
Trade and bill payable turnover days (days)	161.1	203.7	161.4	211.2
Current ratio (%)[(1)]	151.1	144.9	101.1	89.2
Quick ratio (%)[(2)]	126.1	119.7	84.8	72.2

Notes:

(1) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the respective year/period.

(2) Quick ratio is calculated based on the total current assets less inventories divided by the total current liabilities as at the end of the respective year/period.

Analysis of Key Financial Ratios

Current Ratio

Our current ratio remained relatively stable at 151.1% as of December 31, 2022 and 144.9% as of December 31, 2023. Our current ratio decreased from 144.9% as of December 31, 2023 to 101.1% as of December 31, 2024, primarily due to a decrease in cash and cash equivalents. Our current ratio decreased from 101.1% as of December 31, 2024 to 89.2% as of May 31, 2025, primarily due to a decrease in cash and cash equivalents.

Quick Ratio

Our quick ratio decreased from 126.1% as of December 31, 2022 to 119.7% as of December 31, 2023, to 84.8% as of December 31, 2024 and further decreased to 72.2% as of May 31, 2025, primarily due to a decrease in cash and cash equivalents.

For analysis of changes of other key financial ratios, please see "— Discussion of Results of Operations" and "— Discussion of Selected Items From the Consolidated Balance Sheets."

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

Our major financial instruments include financial liabilities at FVTPL, trade and other receivables, cash and cash equivalents and restricted bank balances and time deposits, trade and other payables, and borrowings. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. See Note 35 of the Accountant's Report included in Appendix I to this circular.

DIVIDEND AND DIVIDEND POLICY

During the Track Record Period, we did not pay any dividends, nor did we declare any dividends. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend payout ratio.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such fund reaches 50% of its registered capital, which are not available for distribution as cash dividends.

Subject to compliance with the relevant laws and regulations, we may consider to distribute dividends to our Shareholders. However, any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors may deem relevant. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the Target Company being unable to pay its debts as they fall due in the ordinary course of business. Investors should not purchase our shares with the expectation of receiving cash dividends.

DISTRIBUTABLE RESERVES

As of May 31, 2025, we did not have any distributable reserves.

DE-SPAC TRANSACTION EXPENSES

De-SPAC Transaction expenses of the Target Group upon completion of the De-SPAC Transaction are estimated to be HK$77.3 million, including PIPE Investment placement commission and incentive, assuming PIPE Investment amount of HK$551.3 million, being 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares and there is no Permitted Equity Financing. Up to December 31, 2024, total De-SPAC Transaction expenses of HK$20.3 million and HK$2.6 million were incurred by the Target Group and TechStar, respectively. The rest of the De-SPAC Transaction expenses after December 31, 2024 are to be borne by the Target Group, of which HK$28.0 million is expected to be charged to our consolidated income statement, and HK$26.4 million is expected to be accounted for as a deduction from equity upon the consummation of the De-SPAC Transaction. The De-SPAC Transaction expenses above are the latest practicable estimates for reference only, and the actual amount may differ from these estimates.

The following table sets forth a breakdown of the De-SPAC Transaction expenses paid or to be paid relating to the De-SPAC Transaction.

	(HK$ in million)
Legal and audit expenses	39.7
Other fees and expenses	12.8
PIPE commission	24.8
Total	**77.3**

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this circular, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since May 31, 2025, the end of the year reported on the Accountant's Report included in Appendix I to this circular, and there has been no event since May 31, 2025 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this circular.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

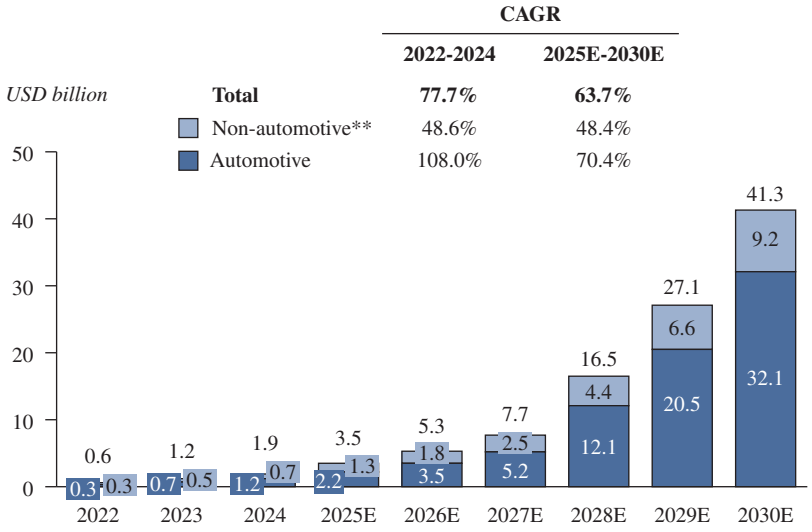
In this section, "we," "us" or "our" refer to Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group"). The information and statistics set out in this section and other sections of this circular were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by CIC. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the De-SPAC transaction. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Such information and statistics from official government sources have not been verified by us, TechStar, or any of our or their respective directors and advisers, the Joint Sponsors, the Overall Coordinators or any other persons or parties involved in the De-SPAC transaction, and no representation is given as to its accuracy. For discussions of risks relating to our industries, see "Risk Factors – Risks Related to the Target Group's Business and Industry."

OVERVIEW OF LIDAR SOLUTIONS MARKET

Light Detection and Ranging, or LiDAR, is a type of sensing technology that uses pulsed laser beams to measure an object's variable distances from the targeted surface in real time. LiDARs are superior in delivering high resolution and reliable detection data for decision-making of automated systems regardless of light and weather conditions. LiDARs are therefore widely adopted in various industries, such as automotive, smart transportation, smart railway, and industrial safety and automation, among others.

The market size of global LiDAR solutions has reached US$1.9 billion in 2024, and is expected to increase from US$3.5 billion in 2025 to US$41.3 billion in 2030, representing CAGR of 63.7%, according to CIC. The following diagram sets forth a breakdown of global LiDAR solutions market size by application scenarios during the years indicated.

Market Size of Global LiDAR Solutions*, Breakdown by Application Scenario, 2022-2030E



* Market size is calculated based on a USD/CNY currency exchange rate of 7.1217, and includes LiDAR hardware and point cloud software.

** Non-automotive LiDAR solutions refer to LiDAR solutions that are applied in non-automotive application scenarios, such as smart transportation, smart railway, industrial safety and automation and V2X.

Source: CIC, the International Organization of Motor Vehicle Manufacturers (OICA), China Passenger Car Association (CPCA)

As LiDAR production scales up, the average selling prices for LiDAR solutions deployed across both automotive and non-automotive scenarios have exhibited continuous declines. The ongoing intelligence upgrades across automotive, transportation, and industrial automation scenarios have enabled the pervasive adoption of LiDAR solutions, thereby unlocking substantial growth prospects for the global LiDAR solution market.

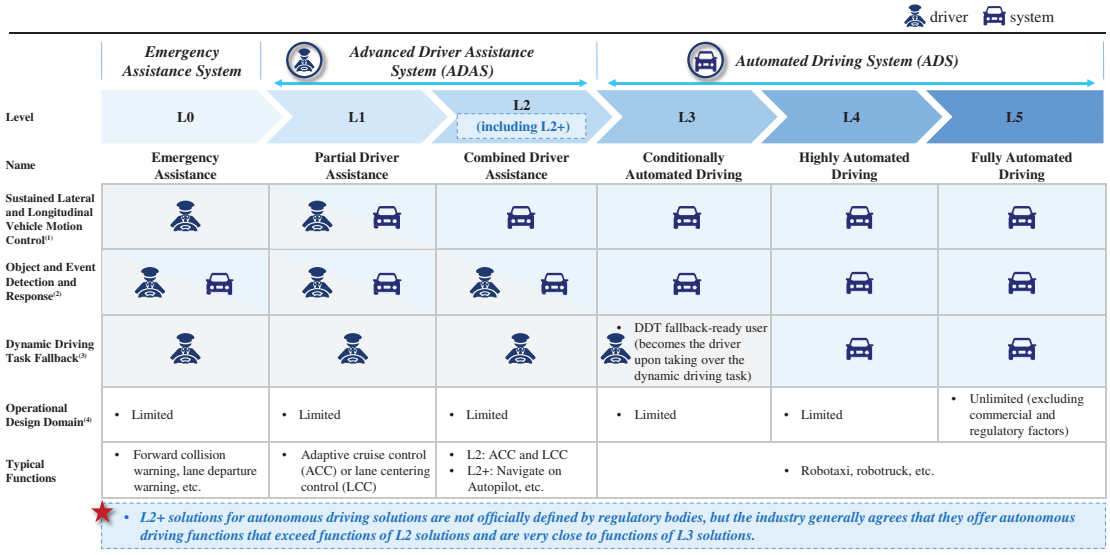
OVERVIEW OF AUTOMOTIVE LIDAR SOLUTIONS MARKET

Levels of Autonomous Driving

The Society of Automotive Engineers, or the SAE, has developed and defined six levels of automation for autonomous driving vehicles to standardize the approaches across the wide spectrum of different levels of autonomy. Among the six levels of autonomous driving, L1-L2 are generally considered as advanced driver assistance system, or ADAS, under which drivers take the primary responsibility in driving and parking; while L3-L5 are generally considered as automated driving system, or ADS, under which the system takes full control from executing driving to emergency step-in.

Autonomous driving of L2+ or above allows the driver to be "hands off", thus demanding a higher level of vehicle safety standards. A perception system that delivers strong and reliable performance even at poor weather conditions is therefore required. LiDARs that deliver long-range detection and high resolution perception capabilities have become a critical component to achieve autonomous driving of L2+ or above. The following diagram shows the features of each level of autonomous driving, and demonstrates the level of driver involvement required under each level.

Classification of Autonomous Driving Solutions



Notes:

(1) Sustained lateral and longitudinal vehicle motion control refers to the sustained controlling of vehicle's lateral movement through steering and longitudinal movement through acceleration and deceleration.

(2) Object and event detection and response refers to the monitoring of driving environment by detecting, recognizing, classifying, and preparing responses to targets and events, and eventually executing tasks in a targeted manner.

(3) Dynamic driving task fallback refers to the action of the driver taking over the dynamic driving tasks or the system executing a minimal risk maneuver when conditions do not meet the operational design domain.

(4) Operational design domain refers to the external environmental conditions (including road, traffic, weather and lighting) determined during the design phase of an intelligent driving system, which are applicable to its functional operation.

Source: SAE, MIIT, CIC

Recent Regulatory Developments

In terms of the autonomous driving standards, to enhance the standardization of safety protocols for Level 2 Combined Driver Assistance Systems, the MIIT announced a new mandatory national standard in development, the Intelligent Connected Vehicle-Safety Requirements of Combined Driver Assistance System (Draft for Public Consultation) (《智能網聯汽車組合駕駛輔助系統安全要求》(徵求意見稿)) on September 17, 2025. The standard aims to establish a unified terminology for Combined Driver Assistance Systems, with its applicability extending to both passenger and freight vehicles. The standard delineates specific audit requirements that address system detection capabilities, system safety mandates, motion control functionalities, driver intervention protocols, and functional safety principles. By integrating high-frequency, high-risk scenarios into road-testing protocols, the standard intends to significantly elevate the reliability benchmarks for environmental perception. As the document stipulates, these audit requirements are designed to impose safety specifications on functional boundaries, capability thresholds, and product design, while also mandating safety assurances for design and development processes and risk management frameworks. Within the "Functional Safety Verification Test" section, the standard explicitly enumerates a variety of fault types and makes repeated references to potential malfunctions of sensors including LiDARs, cameras, millimeter-wave radars and others, for verification test. By simulating real-world failure scenarios, the standard aims to validate that these identified faults are adequately mitigated by implemented safety measures. This fundamentally establishes that the reliability of these components, including LiDARs, is indispensable for ensuring the functional safety of the entire combined driver assistance system, according to CIC. Combined driver assistance systems must undergo rigorous testing across a range of scenarios to gain market access. This process underscores the significant technical benefits offered by LiDAR solutions, according to CIC. For instance, in a scenario involving a disabled vehicle within a tunnel, the abrupt change in illumination when entering or exiting the tunnel can cause cameras to experience momentary "blindness." As an active sensing device, LiDAR remains unaffected by drastic changes in ambient light, enabling stable and precise perception of a disabled vehicle's shape and distance, according to CIC. When encountering road construction barriers, particularly at night with interference from oncoming vehicle headlights, LiDAR demonstrates superior recognition performance for such obstacles due to its high-precision 3D ranging and shape recognition capabilities, according to CIC. The integration of LiDAR becomes pivotal for fulfilling the stringent testing criteria of such critical scenarios and ensuring the functional safety of the overall system, according to CIC. Consequently, the establishment of this standard is projected to further enhance the value of LiDAR as a critical safety component and foster the advancement and broader adoption of LiDAR technology, meanwhile incentivizing OEMs to integrate higher-performance LiDAR solutions into their vehicle designs, according to CIC. According to the explanatory note on formulation of the draft standard, the standard is

recommended to be implemented on January 1, 2027. The MIIT released the 2024 Key Points of Automotive Standardization Work (《2024年汽車標準化工作要點》), highlighting strategic emerging fields such as new energy vehicles and intelligent and connected vehicles. The policy proposes and implements new international standard projects and cultivation plans for new domains, comprehensively promoting the development of international standards. This includes continuously fulfilling the responsibilities of convening 9 working groups on automotive perception sensors and autonomous driving test scenarios, and leading the formulation of nearly 20 international standards on automotive exterior protection, fuel cell electric vehicles, electromagnetic compatibility, and automotive-grade radar and LiDAR solutions. This policy provides standardized support for the application of technologies such as LiDAR in smart vehicles, promoting their standardized use in the automotive industry.

In terms of autonomous driving access and pilot projects, the MIIT and four other departments have issued the Notice on Carrying out Pilot Applications of "Vehicle-Road-Cloud Integration" for Intelligent Connected Vehicles (《關於開展智能網聯汽車"車路雲一體化"應用試點工作的通知》). This requires the establishment of edge cloud and regional cloud platforms with the capability to provide integrated perception, collaborative decision-making, planning, and control for vehicles. The aim is to achieve data connectivity between the platform and vehicle devices, roadside equipment, edge computing systems, and comprehensive traffic safety management platforms. Concurrently, cross-industry and cross-regional joint standard research is being promoted to build a complete "Vehicle-Road-Cloud Integration" standard system and enhance testing and verification capabilities. As a key sensor for enabling integrated perception, LiDAR can significantly enhance a vehicle's perception capabilities and safety. Given this policy support, the demand for intelligent connected vehicles equipped with LiDAR is expected to further increase.

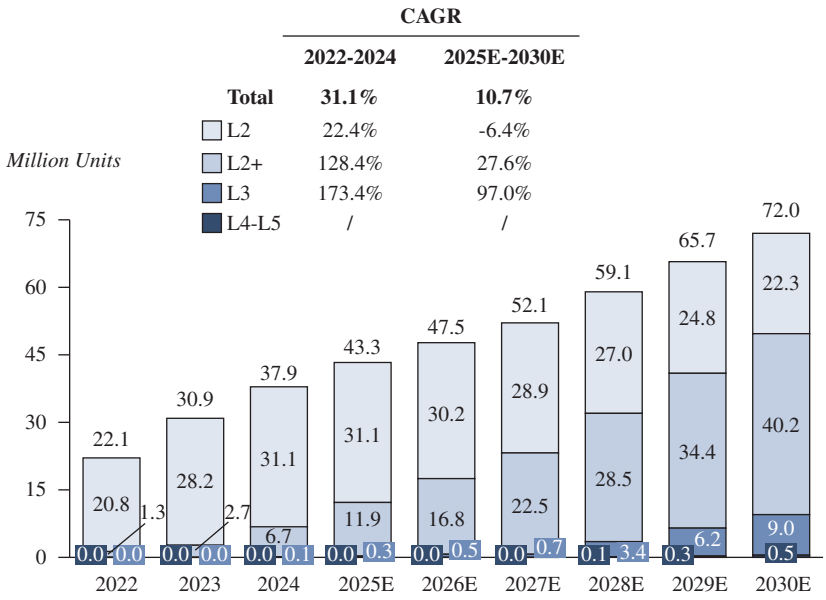
In terms of the local policy level, Beijing Municipal People's Congress has issued the Beijing Autonomous Driving Vehicle Regulations (《北京市自動駕駛汽車條例》), which for the first time established detailed guidelines for the on-road operation of personal passenger vehicles at the L3 (conditional automation) level and above. The regulations aim to standardize and promote the innovative application of autonomous driving vehicles, driving the development of smart transportation and smart cities. Wuhan Municipal People's Congress has issued the Regulations on Promoting the Development of Intelligent Connected Vehicles in Wuhan (《武漢市智能網聯汽車發展促進條例》), which support the research and development of intelligent connected vehicle platforms and key components, promote the transformation of vehicles into mobile smart terminals, energy storage units, and digital spaces, and facilitate the convergence and innovative development of the automotive, energy, transportation, information communication, and artificial intelligence sectors. As a critical perception device for intelligent connected vehicles, LiDAR is expected to accelerate its technological breakthroughs and cost reductions under the policy support, further driving its widespread adoption in intelligent and connected vehicles.

ADAS and ADS Development in Smart Vehicles

Smart vehicles equipped with ADAS or ADS technologies are developing rapidly in recent years, with the objectives of achieving higher levels of driving safety, enhancing driver experience, increasing fuel efficiency and reducing environmental impact. In 2024, only 8.0% of new vehicles sold are equipped with autonomous driving functions of L2+ or above, while such penetration rate is expected to increase from 14.0% in 2025 to 54.4% in 2030, according to CIC.

LiDARs are mainly applied to vehicles with L2+ and above levels of driving automation with higher demand for vehicle safety and comfort. In particular, vehicles equipped with L2+ and L3 are expected to account for 68.3% of the total shipment of smart vehicles in 2030, with 49.2 million units, according to CIC. The following diagram sets forth a breakdown of the current and expected global shipments of smart vehicles at different levels of autonomous driving.

Global Shipments of Smart Vehicles Breakdown by Autonomous Level, 2022-2030E



Source: CIC, the International Organization of Motor Vehicle Manufacturers (OICA), China Passenger Car Association (CPCA)

OVERVIEW OF LIDAR SOLUTIONS FOR ADAS APPLICATIONS

Limitation of Traditional Sensing Devices

Vehicles must be able to perceive their surrounding environments in order to realize various ADAS functions. However, traditional sensing devices such as cameras and radars have various drawbacks and limitations to deliver the perception data necessary for ADAS functions, according to CIC. While cameras can capture the environment surrounding the vehicles at high resolutions, they are not optimal in detecting depth and relative distance to the vehicles, and are impacted by inclement weather and poor lighting conditions. On the other hand, radars are not able to provide high resolution perception data, and tend to be overly sensitive to certain materials such as metal, which may distort the results and lower the accuracy of object detection.

LiDARs as the Solutions

LiDARs are critical components in autonomous driving systems to supplement other sensing devices. LiDARs enjoy higher resolutions compared to radars, and, unlike cameras, are generally unaffected by poor weather, such as rain and snow. Their reliable depth accuracy makes them supplemental to cameras and radars for object detection.

LiDAR and camera solutions present unique advantages. LiDAR solutions offer enhanced safety in challenging environments, centimeter-level ranging accuracy, and precise low-feature recognition, surpassing camera solutions. The penetration rate of LiDAR solutions, in terms of sales volume of vehicles increased from 0.2% in 2022 to 2.5% in 2024, according to CIC. It is projected that the penetration rate of LiDAR solutions, in terms of sales volume of vehicles will reach 38.7% in 2030. Camera solutions, utilizing cameras as their primary sensors and incorporating millimeter-wave and ultrasound radar, employ image recognition algorithms and multi-sensor fusion for environmental awareness. These solutions excel in capturing comprehensive semantic information, facilitating the identification of intricate details and providing high-resolution detail capture at a lower hardware cost, compared to LiDAR solutions.

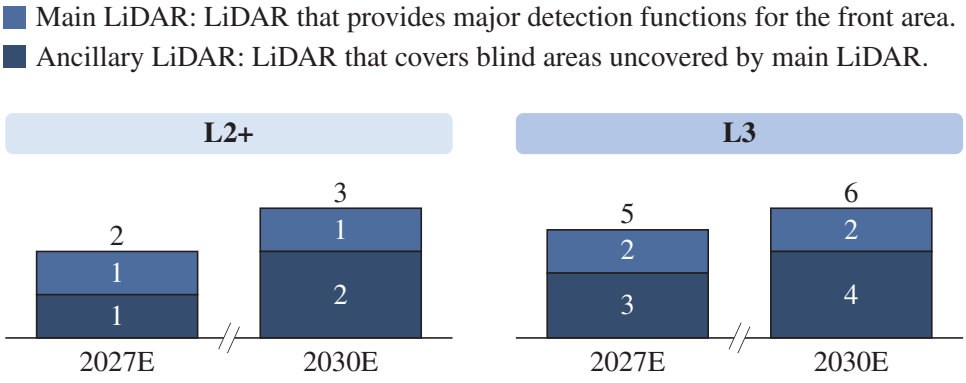
Growth Potentials

LiDAR solutions enjoy significant room for growth in the near future. By 2027 and 2030, 34.7% and 69.0%, respectively, of the vehicles with autonomous driving functions of L2+ or L3 are expected to be equipped with at least one LiDAR, according to CIC. The advancing of smart vehicles calls for increasing needs in object detection, which means that the number of sensor hardware on each smart vehicle is expected to increase.

The following diagram sets forth a breakdown of the average number of main and ancillary LiDARs used per vehicle from 2027 to 2030.

Average Number of LiDARs Used per Vehicle

Unit



Source: CIC

Critical Features of LiDAR for ADAS Applications

Range and Resolution

Detection range and resolution are among the most important features of LiDARs, especially for L2+ or L3 autonomous driving vehicles. To ensure reliable performance and safety in the actual "on-the-road" driving scenario, Probability of Detection, or POD (which is measured by the actual number of echoes received divided by the number of echoes receivable theoretically) of over 90% is required, despite a minimum standard of 50% that may be adopted by some of the other players in the industry when testing the detection range, according to CIC. Long-detection range is crucial to ensure timely perception and cruise adaption. For example, when driving at a speed above 120 kilometers per hour, or 120 km/h, the minimum detection range required for emergency braking (assuming approximately -0.8 g acceleration with one second perception and planning) and comfortable braking (assuming approximately -0.4 g acceleration with one second perception and planning) are approximately 104 meters and approximately 195 meters, respectively, according to CIC. Therefore, sufficient detection range of LiDAR for different objects on the road is crucial to ensure both safety and comfort on the road. Meanwhile, LiDARs with smaller angular resolution enables more accurate and timely detection of small objects on the road, which further increases the safety level of ADAS.

Automotive-Grade Quality Standards

Automotive-grade quality standards are typically more stringent than standards applied in other types of consumer electronics. They require a consistent and reliable level of high performance under varying temperatures and humidity, among other driving conditions, and require product suppliers to achieve volume production. Automotive-grade standards also require near-zero failure rate and long life cycles. OEMs known for quality require LiDAR suppliers to meet automotive-grade quality standards with respect to their LiDARs, and heavily assess product consistency, reliability, and manufacturing capabilities before they grant volume

production contracts. LiDAR manufacturers should also resolve the practical issues through close collaboration with OEMs from system design to implementation, accelerating the development of products with automotive-grade quality.

As of the date of this circular, automotive-grade standard has been achieved by certain LiDAR manufacturers that supply volume-produced and delivered LiDAR solutions for installation on passenger vehicles with ADAS functions. Currently, most ADS applications such as robotaxis and robotrucks are still in testing phases in small volume, and LiDAR solutions under ADS applications, therefore, are mainly dominated by spinner LiDARs that are yet to achieve automotive-grade quality standards.

Volume Production Capability

Volume production capability primarily involves access to an established supply chain, as well as sufficient manufacturing know-how. With the rapid development of the LiDAR industry in recent years, the supply chain of LiDARs has gradually become more mature. For major components, including laser modules, detectors, electrical motors and integrated circuits, there are sufficient suppliers in China that can provide stable supplies at affordable prices. In addition, manufacturing know-how, including calibration and alignment, and industrialized assembly, as well as manufacturing equipment, are key to reducing average production costs in the long run.

Differences among LiDAR Technology Architectures

The core systems of LiDAR technology architectures primarily include wavelength, scanning technology, range measurement, transmitter as well as detector, among which wavelength and scanning technology are the two most important systems that result in differences in performance, reliability, commercialization capability as well as cost effectiveness, according to CIC.

Wavelength

Current mainstream LiDAR players primarily adopt either 905 nm (a term that could include wavelengths ranging from 850 nm to 910 nm) or 1,550 nm (a term that could include wavelengths ranging from 1,500 nm to 1,560 nm) wavelengths in their LiDARs. 905 nm LiDAR solutions were first launched in the PRC in 2016, while 1,550 nm LiDAR solutions were first launched in the PRC in 2018. In the automotive sector, the market size of global automotive 1,550 nm LiDAR solutions and 905 nm LiDAR solutions reached US$0.2 billion and US$1.0 billion in 2024, accounting for 17.9% and 82.1% of the market size of global automotive LiDAR solutions, respectively. LiDARs adopting the 1,550 nm wavelength can achieve higher power output as many as 40 times compared to that of 905 nm LiDARs, without causing any harms to human eyes. This feature enables 1,550 nm LiDARs to emit beams with higher energy and smaller light spots, which further contributes to ultra-long detection ranging ability and higher resolutions.

Comparison of 1,550 nm and 905 nmLiDAR

Major tech paths	*Wavelength*	**1,550 nm**	**Near infrared（905 nm）***	
	Laser type	***fiber-based laser***	***EEL***	***VCSEL***
Tech performance**	*Detection range*	• **Ultra-long** detection range • **250~300m** @10% reflectivity	• **Middle** detection range • **70~200m** @10% reflectivity	• **Middle** detection range • **20~200m** @10% reflectivity
	Power consumption	• **Higher power consumption** due to complex laser system	• **Low power consumption** due to simple one-unit laser system	• **Low power consumption** with scanners removed
	Range precision	• **High** range precision	• **Lower** range precision	• **Lower** range precision
Readiness for auto-grade implementation		• **Stable performance** in normal conditions • Reduced stability under high temperature	• **Stable performance** for commonly adopted designs • **Malfunction rate** could be high with 32+ channel arrays	• **Stable performance** for commonly adopted designs • **Malfunction rate** could be high as the amount of junctions increases
Overall commentary		• Best tech performance • Need to optimize design for auto-grade • Need to reduce costs	• Lowest cost with moderate performance	• Continuous cost reduction with moderate performance

** 905 nm is the most typical wavelength among near-infrared*
*** Tech performance refers to the predominant performance characteristics exhibited by the majority of products of each technological paths, without encompassing the atypical performance parameters of a few exceptional or outlier products.*

Source: CIC

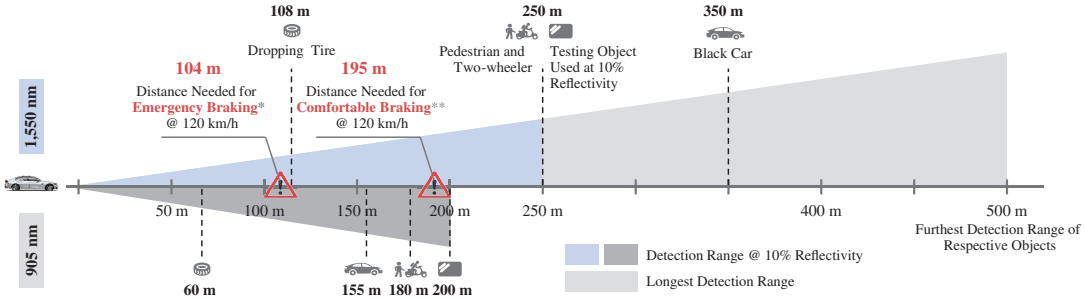
When testing the detection range of LiDARs, the industry testing standard is to select a 1.5 m × 1.5 m black board with 10% reflectivity as specific testing object and then measure the furthest distance that the black board can be detected by LiDAR. Under this standard testing scenarios, 1,550 nm wavelength LiDAR is able to detect up to 250 meters while 905 nm wavelength LiDAR typical features a detection range of 150 to 200 meters. However, objects on the road, such as dropping tires, pedestrians, two-wheelers and cars, in different sizes and colors, will also affect detection ranges.

For uncommon objects on the road such as dropping tires, LiDAR solutions are typically required to detect those objects far enough to achieve emergency braking, which requires a minimum detection range of 100 m under 120 km/h driving speed assuming approximately -0.8 g acceleration with one second perception and planning time. The detection range of 1,550 nm LiDARs for dropping tire is 108 m, longer than the minimum detection range required for emergency braking, while 905 nm LiDARs can only detect such object from 60 m away, causing potential safety issues on the road.

For common objects on the road, including two-wheelers and black cars, LiDAR solutions typically need to have a minimum detection range of 195 meters under 120 km/h driving speed assuming approximately -0.4 g acceleration with one second perception and planning time in order to achieve comfortable and sufficient braking. The required detection ranges of 1,550 nm LiDARs for two-wheelers and black cars are 250 and 350 meters, respectively. However, for 905 nm LiDARs, the detection ranges for two-wheelers and black cars are only 155 and 180 meters, providing less comfort compared to 1,550 nm LiDARs.

Given the higher performance achievable (especially longer detection range) and more "corner cases," 1,550 nm LiDARs are commonly considered to be better at ensuring driving safety and comfort under both high speed and low speed driving scenarios, according to CIC. The following graphs set forth a comparison between 905 nm and 1,550 nm LiDARs in terms of detection range of different objects and driving performance under different scenarios.

Detection Range of Different Objects

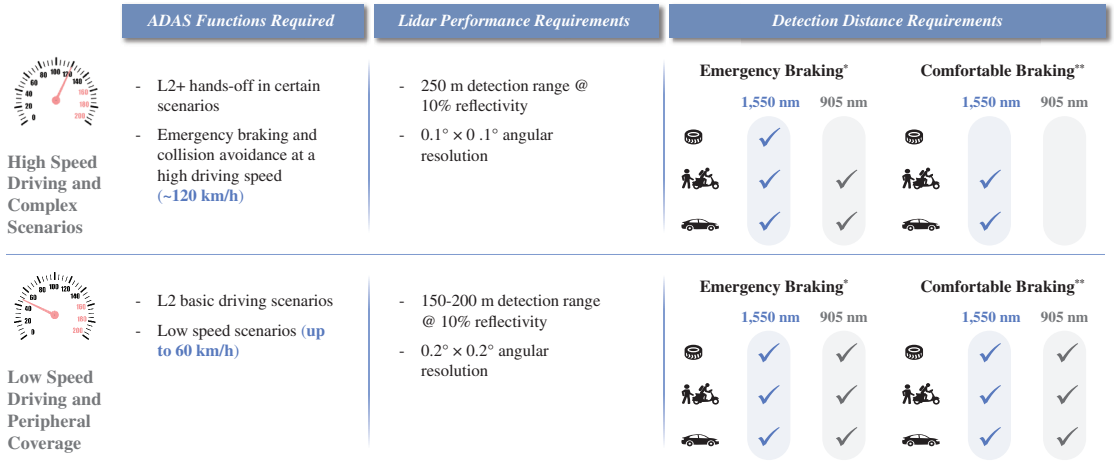


* For emergency braking, assume approximately -0.8 g acceleration with one second perception and planning time, where g is the gravitational acceleration (approximately 9.8 m/s^2), the minimum distance required are approximately 104 m at 120 km/h and approximately 34 m at 60 km/h, respectively.

** For comfortable braking, assume approximately -0.4 g acceleration with one second perception and planning time, where g is the gravitational acceleration (approximately 9.8 m/s^2), the minimum distance required are approximately 195 m at 120 km/h and approximately 57 m at 60 km/h, respectively.

Source: CIC

Comparison between 905 nm and 1,550 nm LiDARs



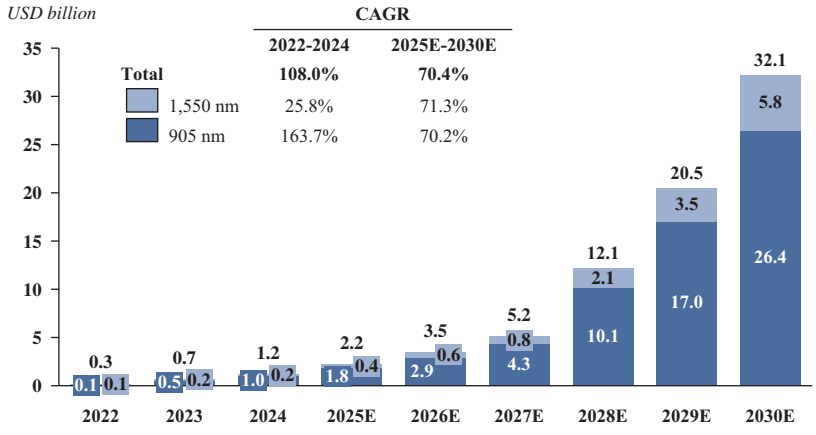
* For emergency braking, assume approximately -0.8 g acceleration with one second perception and planning time, where g is the gravitational acceleration (approximately 9.8 m/s^2), the minimum distance required are approximately 104 m at 120 km/h and approximately 34 m at 60 km/h, respectively.

** For comfortable braking, assume approximately -0.4 g acceleration with one second perception and planning time, where g is the gravitational acceleration (approximately 9.8 m/s^2), the minimum distance required are approximately 195 m at 120 km/h and approximately 57 m at 60 km/h, respectively.

Source: CIC

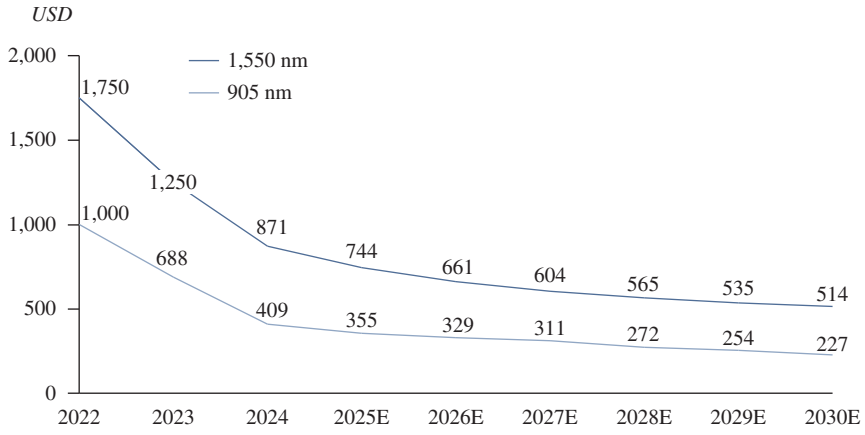
Driven by automotive intelligentization, electrification and scaling LiDAR integration across multiple autonomous vehicle sectors, the market size of global automotive 1,550 nm LiDAR solutions reached US$0.2 billion in 2024. The automotive industry is undergoing an accelerated transition towards premiumization, propelled by electrification, intelligentization, and connectivity as core driving forces. The sales volume of new energy passenger vehicles exceeding RMB300,000 in China reached 2.0 million units in 2024 and is forecasted to rise to 2.5 million and 5.5 million units in 2025 and 2030, at a CAGR of 16.8% between 2025 and 2030. The transition towards premiumization involves continuous enhancement of product capabilities and brand value through technological innovation and elevated user experiences. OEMs are incorporating advanced sensors as differentiated features and safety redundancy mechanisms. Leveraging its inherent eye-safe properties and performance advantages, 1,550 nm LiDAR is emerging as a technological benchmark for high-end vehicle models. Consequently, the demand for 1,550 nm LiDAR from OEMs is poised for further expansion. Furthermore, the economic viability of 1,550 nm LiDAR is being enhanced through supply chain maturation, increased production capacity, and significant economies of scale, facilitating the technology's penetration into more mainstream markets. Concurrently, ongoing technological iterations are continuously optimizing detection performance, environmental adaptability, and system reliability, thereby propelling product competitiveness. These factors create a positive feedback loop, wherein technological advancements bolster market acceptance, and large-scale implementation provides resources for further research and development. This cycle drives the industry's transition from technology validation to widespread application, ultimately leading to exponential growth in the 1,550 nm LiDAR solutions market. The market size of global automotive 1,550 nm LiDAR solutions is expected to increase from US$0.4 billion in 2025 to US$5.8 billion by 2030 at a CAGR of 71.3% between 2025 and 2030. The market size of global automotive 905 nm LiDAR solutions reached US$1.0 billion in 2024, and is expected to increase from US$1.8 billion in 2025 to US$26.4 billion by 2030 at a CAGR of 70.2% between 2025 and 2030.

Market Size of Global Automotive LiDAR Solutions Breakdown by Wavelength, 2022-2030E



Source: CIC, the International Organization of Motor Vehicle Manufacturers (OICA), China Passenger Car Association (CPCA)

Average Selling Price of Automotive LiDAR Solutions, 1,550 nm/905 nm, Global, 2022-2030E



Source: CIC

Average selling prices of 1,550 nm and 905 nm LiDAR solutions have exhibited rapid declining trends. While historically 1,550 nm LiDARs are more expensive than 905 nm LiDARs due to the use of fiber-based laser emitters and InGaAs material in the laser and detection module, the gap is narrowing going forward, due to the volume production of 1,550 nm LiDARs and the maturity of the supply chain. The average selling prices of 1,550 nm and 905 nm LiDAR solutions are expected to decrease from US$870 and US$409 in 2024, respectively, to approximately US$514 and US$227 in 2030, respectively.

The maturation of 1,550 nm LiDAR technology and scaled production of 1,550 nm LiDARs lead to significant cost reductions, which in turn accelerates the adoption of this solution within the automotive sector. As OEMs increasingly choose 1,550 nm LiDAR technology to leverage its extended detection range and enhanced performance capabilities, the 1,550 nm LiDAR providers are witnessing a steady growth in the number of design-wins secured. Over the next few years, it is anticipated that multiple vehicle models equipped with 1,550 nm LiDARs will be progressively introduced to the market, thereby enabling the widespread utilization of 1,550 nm LiDARs across the automotive industry.

Scanning Technology

Based on the scanning methods and technologies, LiDARs can be divided into three categories: mechanical LiDARs, semi-solid-state LiDARs and solid-state LiDARs. Mechanical LiDARs face challenges in fulfilling automotive-grade quality standard, while the performance of solid-state LiDARs is not mature and subject to further improvement, according to CIC. Semi-solid-state LiDARs generally deliver better performance and are more mature for automotive-grade quality standard, which makes them the mainstream choice in the automotive industry today.

Among semi-solid-state LiDARs, there are various technology architectures including dual-axis mirror scanning, single-axis mirror scanning and micro electro mechanical system, or MEMS. Dual-axis scanning method applies galvo mirror and/or rotating mirror for horizontal and vertical scan, both of which are mature technologies in the optical field and contribute to the high performance and reliability and long lifetime of the LiDAR system. Compared to single-axis mirror scanning method superimposing laser transceiver modules to achieve vertical scanning, dual-axis mirror scanning applies galvo/rotating mirror for vertical scanning, which is able to achieve more flexible scanning density distribution. MEMS scanning integrates the galvo mirror on a chip to achieve two-dimensional scanning. Due to the limitation of galvo mirror size and angular range, MEMS scanning has relatively small FOV, and thus several MEMS scanning systems need to be spliced together to achieve a large FOV. In addition, the life of the galvo mirror support system of MEMS is relatively short due to its limited vibration tolerance, potentially resulting in lower reliability compared to single-axis or dual-axis mirror scanning method and facing challenges in achieving automotive-grade requirement on vibration-resistance.

The market size of global automotive mechanical, solid-state and semisolid state LiDAR solutions reached US$0.13 billion, US$0.01 billion and US$1.04 billion in 2024, respectively, representing 10.8%, 0.6% and 88.6% of the market size of global automotive LiDAR solutions, respectively. With the maturity of semisolid state LiDAR solutions and volume production of solid-state LiDAR solutions, the market size of global automotive mechanical, solid-state and semisolid state LiDAR solutions are projected to reach US$1.2 billion, US$2.6 billion and US$28.4 billion in 2030. The prices for mechanical, semi-solid state, and solid-state LiDAR solutions have witnessed rapid declines, and are projected to experience more gradual reductions going forward.

Comparison of Three Major Technologies for Scanning Technology

		Tech performance	Auto-grade requirement	Mass production capability
Mechanical scanning		• Low frame rate • 360º scanning	• Short lifetime and noise • Can fail outlook design	• Intensive manual compilation • Low yield rate
Semi-solid-state	Single-axis mirror scanning	• Large FOV • Fixed vertical resolution • Multiple optics	• Long lifetime • Reduced reliability due to channel complexity	• Manual focus adjustment needed • Limited room for cost reduction
	Dual-axes mirror scanning	• Large FOV • High angle resolution • Small size	• Long lifetime • Reliable	• Manual focus adjustment needed
	MEMS	• Small FOV* • High background noise • Small size	• Short lifetime • Known shock tolerance issues	• Manual focus adjustment needed
	Prism rotation	• Limited actual FOV • Bulky size	• Bulky rotating elements	• Manual focus adjustment needed
Solid-state	Flash	• Small FOV • Short detection range	• Immature system design	• Immature system design
	OPA	• Ghost image and low SNR caused by side lobe	• Immature system design	• Immature system design

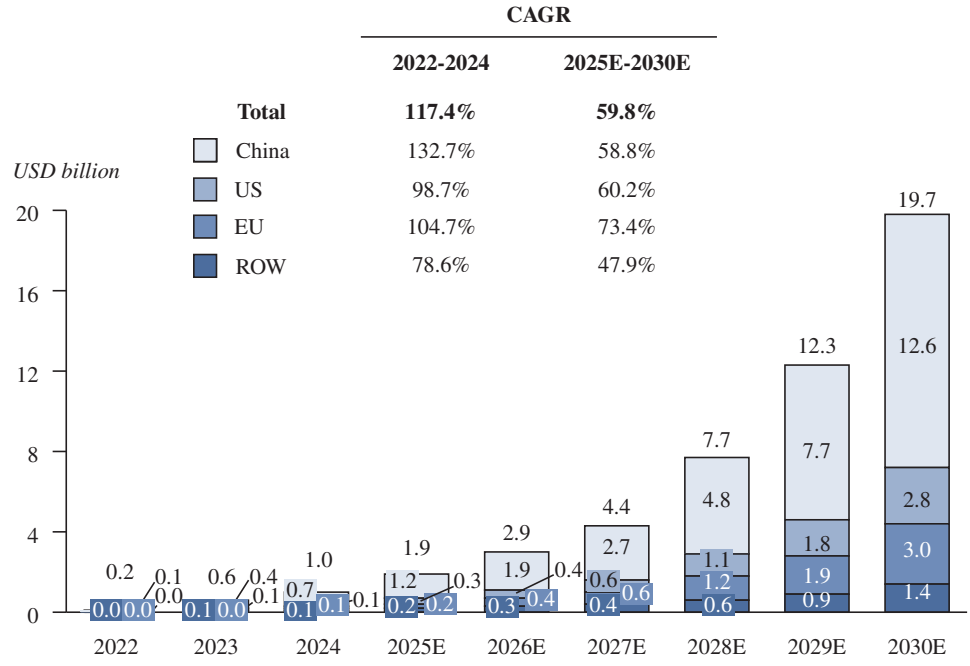
Market Size of Global LiDAR Solutions for ADAS Applications

As ADAS is the major application of automotive LiDAR, the market size of global LiDAR solutions for ADAS applications is expected to expand rapidly, according to CIC. The market size of global LiDAR solutions for ADAS applications has reached US$1.0 billion in 2024, and is expected to increase from US$1.9 billion in 2025 to US$19.7 billion in 2030, representing a CAGR of 59.8%. Such growth is largely driven by (i) the increasing penetration of passenger vehicles enabled by ADAS and the shift of ADAS technologies to a higher level of autonomy; and (ii) the reducing sales price and production costs of LiDAR hardware driven by volume production and technological advancements.

China is expected to lead the global LiDAR solutions for ADAS applications market, where the market size is expected to increase from US$1.2 billion in 2025 to US$12.6 billion in 2030, representing a CAGR of 58.8%. The leading market share and rapid growth are mainly due to the large vehicle base and fastest LiDAR adoption in China.

The following diagram sets forth a breakdown of market size of global LiDAR solutions for ADAS Applications by region during the years indicated.

Market Size of Global LiDAR Solutions* for ADAS Applications, Breakdown by Regions, 2022-2030E



* Market size is calculated based on a USD/CNY currency exchange rate of 7.1217, and includes LiDAR hardware and point cloud software.

Source: CIC, the International Organization of Motor Vehicle Manufacturers (OICA), China Passenger Car Association (CPCA)

Growth Drivers of Global Automotive-Grade LiDAR Solutions Industry

- **Increasing penetration of automotive intelligence.** The global automotive industry is undergoing a sustained transformation and evolution toward intelligentization, characterized by the accelerated application and adoption of high-level autonomous driving technologies in the mainstream market. As critical sensors for achieving high-level autonomous driving, LiDARs are experiencing a surge in demand. However, in contrast to mature automotive components such as the Electronic Stability Controller (ESC) system, which has a penetration rate of nearly 90%, the penetration rate of LiDAR solutions in the automotive industry reached only 2.5% in 2024. This presents a substantial growth potential for LiDAR solutions. Advancements in technology and cost reduction, coupled with adoption by major OEMs, are expected to drive rapid growth in the penetration rate of LiDAR solutions, which will be the primary catalyst for market expansion.

- **Large-scale deployment of autonomous vehicles across various scenarios.** The commercialization of autonomous driving, particularly in Robotaxi services, is accelerating rapidly. Shipments in the global Robotaxi market are projected to reach 45,000 units in 2025 and exceed 1.5 million units by 2030, representing a CAGR of over 100% between 2025 and 2030. To ensure all-weather, all-scenario autonomous driving capabilities, robotaxi fleets typically utilize multiple LiDAR units per vehicle, directly driving an increase in LiDAR shipments. Furthermore, the shipment of autonomous vehicles is expected to experience rapid growth in closed or semi-closed environments, such as mines and ports. This growth pattern mirrors the expansion witnessed in China's new energy vehicle market, which experienced a sales surge after surpassing the 10% penetration rate threshold. In mining operations, the penetration rate of autonomous mining trucks remains low but is anticipated to exceed the 10% threshold by 2025, signaling a sharp increase in adoption in subsequent years. These commercial vehicles not only require a high number of LiDARs per vehicle but also operate under harsh conditions that shorten their lifecycle to typically between three and six years. This generates consistent replacement demand, supporting sustained and rapid market expansion for LiDAR solutions. Meanwhile, in open-road scenarios, shipments of autonomous urban delivery vehicles reached approximately 4,000 units globally in 2024 and are projected to increase from about 17,000 units in 2025 to over 730,000 units in 2030, at a CAGR of more than 110% between 2025 and 2030. Operating in complex urban settings with dense pedestrian and vehicular traffic, these vehicles require perception systems that deliver exceptional reliability, precision, and real-time performance. LiDAR solutions, with their high-precision 3D environmental sensing capabilities, are established as core sensors for enabling safe and reliable autonomous driving in these applications, further propelling the expansion of the LiDAR solution market.

- **Synergistic effect of automotive electrification.** A strong synergy exists between the global trends of automotive electrification and intelligentization. In China, the penetration rate of new energy vehicles in the passenger vehicle market, in terms of sales volume, has surged dramatically, rising from 5.8% in 2020 to 44.4% in 2024. In contrast, the penetration rate of new energy passenger vehicles in overseas markets reached only 10.9% in 2024, indicating that these markets are in the early stages of a rapid growth phase. Over the next five years, the global transition towards electrification is expected to maintain strong momentum, driving the widespread adoption of intelligent automotive features. This synergy is set to establish a substantial market foundation for the integration of LiDAR solutions in vehicles.

Competition Landscape of Global Automotive-Grade LiDAR Solutions Market for ADAS Applications

As of the date of this circular, automotive-grade standards have been achieved by LiDAR solutions for ADAS applications, while LiDAR solutions for ADS applications are still under development to meet automotive-grade standards. There are approximately 20 market players in global automotive LiDAR solutions market, and the competitive landscape is highly concentrated, with the top five suppliers taking up an aggregated market share of approximately 77.3% in terms of revenue in 2024. We are the world's first provider of automotive-grade LiDAR solutions to achieve volume production, according to CIC. We are the first player globally to achieve 10,000 cumulative automotive-grade LiDARs deployments for vehicles with standard configurations of LiDARs, which is generally considered as the threshold for volume production, according to CIC. In 2024, we delivered a total of approximately 230,000 units of automotive-grade LiDAR, ranking fourth in terms of sales revenue of ADAS LiDAR solutions in global with a market share of 12.8%, according to CIC.

Ranking of LiDAR Suppliers, in Terms of Cumulative Revenue of ADAS LiDAR Solutions, Global, 2022-2024

Ranking	Company	Background information	Listing status	Cumulative revenue
				(RMB million)
1	Company A	• Company A is a LiDAR company established in 2014 and headquartered in China that specializes in the development and production of LiDAR products for automotive and other industries.	Dual-listed on NASDAQ and Stock Exchange of Hong Kong	~2,300
2	Our company	• See "Business of the Target Group"	/	2,297.4
3	Company B	• Company B is a LiDAR and perception solutions company established in 2014 and headquartered in China that specializes in LiDAR hardware perception software for automobiles and robots.	Listed on the Stock Exchange of Hong Kong	2,272.7

Ranking	Company	Background information	Listing status	Cumulative revenue
				(RMB million)
4	Company C	• Company C is a company established in 1987 and headquartered in China that provides a broad range of products and services across various industries, including LiDAR products for the automotive industry. Company C is a leading global provider of information and communications technology infrastructure and smart devices.	Unlisted	~1,900
5	Company D	• Company D is an automotive supplier established in 1923 and headquartered in France that provides a wide range of parts and accessories for vehicles. Company D started selling LiDAR products for the automotive industry in 2016.	Listed on Euronext Paris	~1,100

Source: CIC

We had delivered approximately 230,000 automotive-grade LiDARs in 2024 and ranked fourth in the global automotive-grade LiDAR solutions market in terms of sales revenue of automotive-grade LiDARs.

Ranking of LiDAR Suppliers, in Terms of Revenue of Automotive-Grade LiDAR Solutions, Global, 2024

Ranking	Company	Background information	Listing Status	Revenue	Market share
				(RMB million)	*(%)*
1	Company A	• Company A is a LiDAR company established in 2014 and headquartered in China that specializes in the development and production of LiDAR products for automotive and other industries.	Dual-listed on NASDAQ and Stock Exchange of Hong Kong	~1,700	~20.3%

Ranking	Company	Background information	Listing Status	Revenue	Market share
				(RMB million)	*(%)*
2	Company C	• Company C is a company established in 1987 and headquartered in China that provides a broad range of products and services across various industries, including LiDAR products for the automotive industry. Company C is a leading global provider of information and communications technology infrastructure and smart devices.	Unlisted	~1,600	~19.1%
3	Company B	• Company B is a LiDAR and perception solutions company established in 2014 and headquartered in China that specializes in LiDAR hardware perception software for automobiles and robots.	Listed on the Stock Exchange of Hong Kong	~1,400	~16.7%
4	Our company	• See "Business of the Target Group"	/	1,075.5	12.8%
5	Company D	• Company D is an automotive supplier established in 1923 and headquartered in France that provides a wide range of parts and accessories for vehicles. Company D started selling LiDAR products for the automotive industry in 2016.	Listed on Euronext Paris	~700	~8.4%
	Total				**~77.3%**

Source: CIC

As a new entrant into the 905 nm LiDAR market, we secured the fifth position worldwide in terms of sales revenue of 905 nm ADAS LiDAR solutions in China in 2024.

Entry Barriers of Global LiDAR Solutions Industry

- **Technology strengths.** Developing LiDAR solutions involves a multifaceted technical challenge, requiring substantial technical expertise in relevant software algorithms, optical components, laser emitters and other relevant domains. New entrants often face difficulties in rapidly assembling a skilled R&D team and acquiring necessary regulatory knowledge, which can present significant hurdles in developing competitive, high-performance products to meet market requirements.

- **Abundant OEM client base.** OEMs impose stringent certification requirements on suppliers, involving extensive and time-consuming product validation. As a result, new industry entrants encounter challenges in rapidly securing OEM approval, delaying their market penetration. Established providers with a robust customer base and reputable brand possess an advantage in retaining existing clients while also expanding to new ones, ultimately gaining greater market share.

- **Continuous capital investment.** Developing and manufacturing LiDAR solutions requires significant upfront investments, encompassing costly R&D equipment and high-precision manufacturing facilities. Furthermore, to sustain technological advancements and product competitiveness, continuous financial support is required to drive technological innovations and product iterations. The considerable capital threshold poses a major obstacle for new entrants.

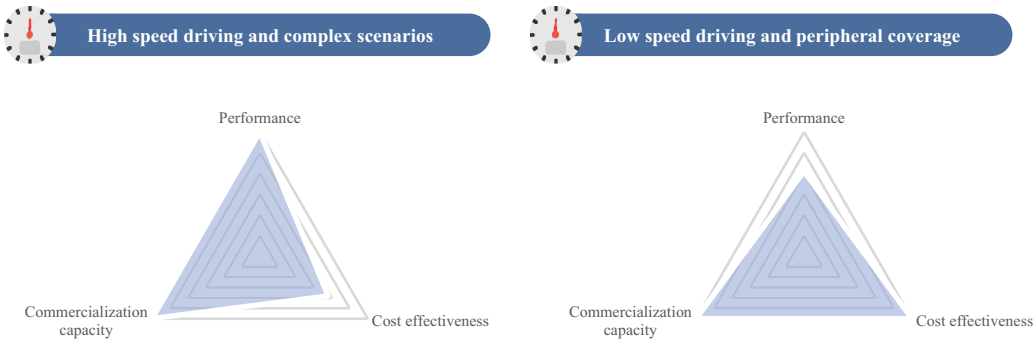
- **Supply chain management capability.** The provision of LiDAR solutions relies on multiple critical components, the quality of which directly impacts product performance. Providers with strong supply chain management capabilities are better positioned to withstand changes in the global supply chain, enabling them to ensure both the quality and timeliness of product delivery. Conversely, it may prove challenging for new market entrants to construct a stable supply chain system in a short timeframe.

- **Volume production capabilities.** Providers with the capability of volume production can maintain effective control over critical manufacturing and procurement processes, utilizing their accumulated expertise and experience to drive substantial synergies. This enables them to establish significant advantages in the cost-effectiveness and competitiveness of their solutions, solidifying their market position.

OEM's Preferences

OEMs tend to have varying needs for LiDAR solutions. Currently, large-scale OEMs tend to focus more on performance of LiDAR solution and commercialization capability of LiDAR solution providers. Most of those OEMs require LiDARs to function in both low speed and high speed scenarios, providing full coverage under different driving scenarios to ensure safety and comfort. On the other hand, new entrants and less experienced players are comparatively more cost sensitive. With the advancement of ADAS technology, OEMs are expected to focus more on the performance of LiDAR solutions. The following diagrams demonstrate OEM's preferences under different driving scenarios.

OEM's preferences



Source: CIC

Among 1,550 nm LiDAR models, our Falcon series has successfully achieved volume production at significantly lower cost compared to comparable models while our Robin series LiDAR solutions is expected to deliver similar performance metrics with other comparable 905 nm models upon delivery. The following table sets forth a comparison of performance by products from our peers.

Comparison between LiDAR Models of Leading LiDAR Players

	1,550 nm LiDAR		*905 nm LiDAR*			
	Our LiDAR	Comparable 1,550 nm LiDARs	Our LiDAR	Comparable 905 nm LiDARs		
LiDAR models	**Seyond Falcon K2**	**Company E** Product E**	**Seyond Robin E1X**	**Company A Product A**	**Company B Product B**	**Company C Product C**	**Company D Product D**
Wavelength	1,550 nm	1,550 nm	905 nm	905 nm	905 nm	905 nm	905 nm
Scanning method	Dual-axis mirror	Dual-axis mirror	Single-axis mirror	Single-axis mirror	MEMS	Single-axis mirror	Single-axis mirror
Detection range @10%*	250m	250m	200m	210m	200m	150m	150m
Highest Angular resolution	0.06 × 0.06	0.05 × 0.05	0.1 × 0.1	0.1 × 0.2	0.1 × 0.1	0.26 × 0.25	0.125 × 0.6

* Falcon and Robin's detection range are tested at POD over 90% level while that of some other LiDARs may be tested at a POD of 50% level.

** Company E is a LiDAR company established in 2012 and headquartered in the United States that specializes in the development and production of LiDAR products for the automotive industry. Company E is listed on NASDAQ.

Source: CIC

OVERVIEW OF LIDAR SOLUTIONS FOR ADS APPLICATIONS

In the ADS application market, LiDAR solutions are mainly applied in robotaxis and robotrucks with autonomous driving functions of L3 to L5. Currently, both robotaxis and robotrucks are still in testing phases in small volume, and LiDAR solutions under ADS applications, therefore, are mainly dominated by spinner LiDARs that are yet to achieve automotive-grade quality standards. With the advancement of autonomous driving technology, the demand for automotive-grade LiDAR solutions are expected to increase. The market size of global LiDAR solutions for ADS applications has reached US$0.1 billion in 2024, and is expected to increase from US$0.3 billion in 2025 to US$12.4 billion in 2030, representing a CAGR of 104.9%, according to CIC.

OVERVIEW OF NON-AUTOMOTIVE LIDAR SOLUTIONS MARKET

In addition to automotive applications, LiDAR solutions can also be widely applied in a variety of non-automotive application scenarios, such as smart transportation, smart railway, industrial safety and automation and V2X. Under smart transportation scenarios, LiDARs are installed on roadside infrastructures, highway ETC masts, toll stations and service areas, which can accurately capture the trajectory of vehicles, pedestrians and other objects based on complete traffic data information. Under railway scenarios, LiDARs are primarily used for detecting intrusions and obstacles. In addition, LiDAR solutions are crucial to unmanned mining trucks technologies, which can further realize intelligent continuous operation and unmanned transportation in mining sites. In the V2X scenarios, LiDARs are widely deployed at intersections and roadsides to provide additional perceptual information, which can inform vehicles of blind points to improve safety of autonomous driving. At present, there are around 50 market players in global non-automotive LiDAR solutions market. The market size of global non-automotive LiDAR solutions has reached US$0.7 billion in 2024, and is expected to increase from US$1.3 billion in 2025 to US$9.2 billion in 2030, representing a CAGR of 48.4%, according to CIC.

Critical Features of LiDAR for Non-Automotive Applications

Similar to automotive applications, technology performance, including long-detection range, high accuracy and high resolution, is also critical to LiDARs for non-automotive applications. In addition, software capability is also crucial for smart transportation applications where LiDAR solutions need to achieve target clustering and tracking in real time, which highly rely on the ability of software including point cloud software and perception software.

As LiDARs for non-automotive applications are installed outdoors and work around the clock, they need to have long lifecycles, and can effectively resist water, dust and adverse weather conditions.

Similar to automotive applications, it is crucial for LiDAR suppliers of non-automotive applications to establish a stable and affordable supply chain. Therefore, LiDAR players with both automotive and non-automotive businesses can realize synergy and better manage costs for non-automotive LiDARs when they achieve volume production of automotive LiDARs.

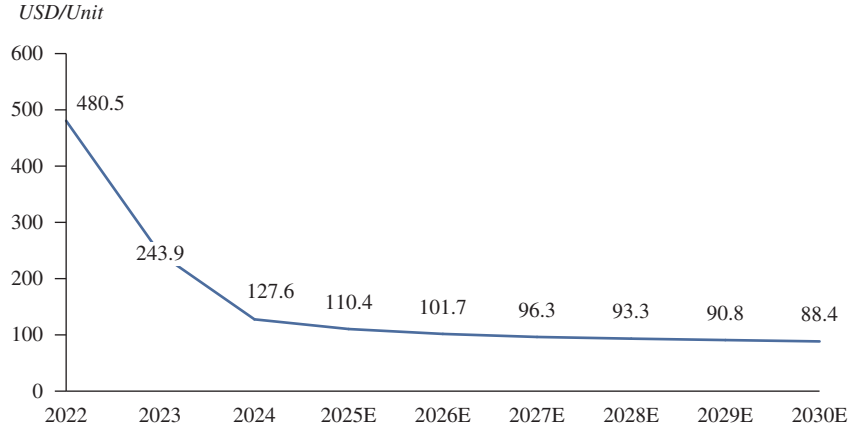
Competition Landscape of Global Non-Automotive LiDAR Solutions Market

We have devoted efforts in the non-automotive LiDAR solutions market including smart transportation, smart railways, industrial safety and automation and V2X. We are one of the first few players with a commercialization track record in both automotive and non-automotive solutions, according to CIC.

HISTORICAL PRICE TRENDS OF RAW MATERIALS

The cost of the laser emitter module accounts for a significant portion, approximately 30% to 40%, of the total expense of LiDAR solutions. As a key component of LiDAR solutions, the average selling price of the laser emitter module remained at a relatively high level prior to 2022, primarily due to the lack of large-scale production of LiDAR solutions during that period. However, with the increasing number of vehicles equipped with autonomous driving functions of L2+ or above since 2022, LiDAR solutions have begun to achieve volume production, and the average selling price of the laser emitter module has experienced a significant decline, decreasing at a rate exceeding 45% annually from 2022 to 2024 due to economies of scale. Moving forward, as the production of LiDAR solutions continues to expand, the average selling price of the laser emitter module is anticipated to exhibit a gradual declining trajectory.

Average selling price of laser emitter module for LiDAR solutions, Global, 2022-2030E



SOURCES OF INFORMATION

In connection with the De-SPAC Transaction, we have engaged CIC, an independent market research consulting firm to conduct a detailed analysis and prepare an industry report on the global LiDAR solutions industry. CIC is an independent market research and consulting company that provides industry consulting services, commercial due diligence, and strategic consulting services to both institutional investors and corporations. We have agreed to pay a commission fee of approximately USD198 thousand for the CIC Report. The payment of such amount was not contingent on our successful Listing or on the results of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the De-SPAC Transaction.

We have extracted certain information from the CIC Report in this section and elsewhere in this circular to provide a comprehensive presentation of the markets in which we operate. We believe such information facilitates an understanding of such markets for potential investors. Our Directors confirm that, after taking reasonable care, there is no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.

During the preparation of the CIC Report, CIC undertook both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, including the National Bureau of Statistics of China, Chinese Government releases, annual reports published by relevant industry participants, industry associations, CIC's own internal database and other relevant sources. CIC's projection on the size of each of the related markets globally takes into consideration various factors, including (i) that the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) that related key industry drivers are likely to continue driving growth in the global LiDAR solutions industry during the forecast period, including the continuously rising shipments of smart vehicles, evolving LiDAR and autonomous driving technologies and supportive policies; and (iii) that there is no extreme force majeure or industry regulations by which the market situation may be affected either dramatically or fundamentally.

This section sets forth a summary of the principal U.S., PRC and Cayman Islands laws and regulations relevant to Target Group's business and operations.

As the LiDAR industry is still at an early stage of development in China, new laws and regulations may be promulgated from time to time to introduce new regulatory requirements, including but not limited to, requirements of obtaining new licenses and permits in addition to those we currently have. The interpretation and implementation of current and future PRC laws and regulations may be subject to further amendments and changes and still evolving, including those applicable to LiDAR solutions industries and our business. This section sets forth a summary of the most significant laws and regulations that are applicable to Target Group's current business activities in China and that affect the dividends payment to its shareholders.

U.S. GOVERNMENT REGULATION

As the cars that carry our sensors go into production, we will be subject to existing stringent requirements under the National Traffic and Motor Vehicle Safety Act of 1966, or the Vehicle Safety Act, including a duty to report, subject to strict timing requirements, safety defects with our products. The Vehicle Safety Act imposes potentially significant civil penalties for violations, including the failure to comply with such reporting requirements. We are also subject to the existing U.S. Transportation Recall Enhancement, Accountability and Documentation Act, or TREAD, which requires equipment manufacturers, such as us, to comply with "Early Warning" requirements by reporting certain information to the National Highway Traffic Safety Administration, or NHTSA, such as information related to defects or reports of injury related to our products. TREAD imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury. In addition, the National Traffic and Motor Vehicle Safety Act authorizes NHTSA to require a manufacturer to recall and repair vehicles that contain safety defects or fail to comply with U.S. federal motor vehicle safety standards. Sales into foreign countries may be subject to similar regulations. As the development of federal and state regulation of autonomous machines and vehicles continues to evolve, we may be subject to additional regulatory schemes.

As a LiDAR technology company, we are subject to the Electronic Product Radiation Control Provisions of the Federal Food, Drug, and Cosmetic Act. These requirements are enforced by the FDA. Electronic product radiation includes laser technology. Regulations governing these products are intended to protect the public from hazardous or unnecessary exposure. Manufacturers are required to certify in product labeling and reports to the FDA that their products comply with applicable performance standards, as well as maintain manufacturing, testing, and distribution records for their products.

Finally, our operations are subject to various federal, state and local laws and regulations governing the occupational health and safety of our employees and wage regulations. We are subject to the requirements of the federal Occupational Safety and Health Act, as amended, and comparable state laws that protect and regulate employee health and safety.

Like all companies operating in similar industries, we are subject to environmental regulation, including water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation and disposal of hazardous materials; and the remediation of environmental contamination. Compliance with these rules may include permits, licenses and inspections of our facilities and products.

U.S. Export Control Rules

On October 7, 2022, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) released an Interim Final Rule (the 2022 Rule) that implemented several new export controls to restrict China's access from the U.S. and overseas sources relying on U.S. technology to certain advanced computing technology, semiconductors, and related items used in the manufacturing of semiconductors. On October 17, 2023, BIS released the most recent expansion of U.S. export restrictions on semiconductors and semiconductor manufacturing equipment (SME) in the form of two Interim Final Rules (the 2023 Rule). Below is an overview of the changes imposed by the relevant rules, as well as the impact on the Target Group.

The 2022 Rule significantly enhanced U.S. export controls as applied to advanced integrated circuit (IC) products, related SME and technology and supercomputers, where the destination or ultimate end use is in China. Below is an overview of the major changes coming out of the 2022 Rule.

- **New Commerce Control List (CCL) Controls on ICs and SME**: As part of the 2022 Rule, BIS expanded CCL-based controls under the Export Administration Regulations (EAR) to add additional Export Control Classification Numbers (ECCNs). New ECCN 3A090 was created to control certain high-performance ICs that have or are programmable to have an aggregate bidirectional transfer rate over all inputs and outputs of 600 GB/s or more to or from integrated circuits other than volatile memories. In parallel with this new control, BIS created controls on a broad variety of advanced IC manufacturing equipment not already controlled under the CCL that could potentially be used to produce ICs now controlled under ECCN 3A090, including various high-performance electroplating and chemical vapor deposition processes and processes for fabricating metal contacts. The 2022 Rule also extended to related controls on software and technology for the development, production, or use of such items, as well as computers, electronic assemblies, and other items containing the controlled ICs. Finally, the 2022 Rule also expanded some CCL-based controls on lower-level computing ICs and associated computer commodities through the addition of new ECCNs 3A991.p and 4A994.l.

- **Creation of New U.S. Person Restrictions**: In the 2022 Rule, BIS expanded Section 744.6 of the EAR to inform U.S. persons that a license is required for the shipment, transmission, or transfer (in-country) to or within China of certain items not subject to the EAR, or the facilitation of such shipments or transfers, or the servicing of such items, by U.S. persons anywhere in the world. The restrictions applied to: (1) any items when you know the items will be used in the development

or production of ICs at a semiconductor fabrication facility in China that fabricates certain advanced node logic ICs, NOT-AND (NAND) memory ICs, and dynamic random-access memory (DRAM) ICs, (2) certain items meeting the parameters of any ECCN in Product Groups B, C, D, or E in Category 3 of the CCL (IC manufacturing equipment, software, and technology) destined to a fabrication facility, where you do not know whether the facility fabricates such advanced ICs, and (3) other newly controlled advanced IC SME, regardless of end use or end user.

- **New and Expanded Foreign Direct Product Rules**: BIS also expanded certain foreign direct product rules (FDPRs) as part of the 2022 Rule. The EAR's FDPRs extend U.S. export control jurisdiction to certain foreign produced items that are the "direct product" of specified U.S. technology or equipment controlled for national security reasons. First, BIS created a new Entity List-specific FDPR by identifying certain entities already on the Entity List with a new footnote based on their involvement in developing certain supercomputers. The restriction made certain additional foreign-produced items that are the direct product of, or that are produced using equipment that is the direct product of, certain controlled U.S. technology or software "subject to EAR" if incorporated into, or used in the production or development of any part, component, or equipment produced, purchased, or ordered by any of the 28 designated entities, or if one of the designated entities is a party to the transaction involving the foreign produced item, such as a purchaser, intermediate consignee, ultimate consignee, or end user. BIS also created a new "Advanced Computing FDPR" and a "Supercomputer FDPR." The Advanced Computing FDPR made certain foreign-produced advanced computer items and advanced ICs meeting the parameters of the new ECCNs subject to the EAR when destined to China (or incorporated into another item destined to China) when they are the direct product of certain controlled IC, computer, or telecommunications related software, equipment, and technology. The "Supercomputer FDPR" made any product subject to the EAR when produced by equipment that is itself the direct product of certain controlled IC, computer, or telecommunications related software, equipment, and technology if there is knowledge that the product will be used in the design, development, production, operation, installation, maintenance, checking, repair, overhaul, or refurbishing of a supercomputer located in China, or incorporated into or used in the development or production of any part, components, or equipment that will be used in a supercomputer located in or destined for China.

- **New End Use and End User Restrictions**: The final major change coming out of the 2022 Rule included the introduction of new end use and end user restrictions similar to the U.S. person restrictions detailed above, but applicable instead to all items subject to the EAR anywhere in the world. Under the "SME End Use Rule," BIS introduced a new license requirement for the export, reexport, or transfer (in-country) without a license, of any items subject to the EAR when you know they will be used in the development or production of ICs at a semiconductor fabrication facility located in China that fabricates advanced node ICs (as described above). The SME End Use Rule likewise imposed a license requirement on items subject to the

EAR and classified in any ECCN in Product Groups B, C, D, or E in Category 3 of the CCL (IC manufacturing equipment, software, and technology) destined to a fabrication facility, where you do not know whether the facility fabricates such advanced ICs. Finally, the SME End Use Rule will impose a license requirement on any items subject to the EAR when the item will be used in the development or production in China of any parts, components, or equipment specified in certain advanced IC and SME related ECCNs. Finally, BIS introduced the "Supercomputer End Use Rule," which imposes a licensing requirement on certain controlled advanced ICs or items containing advanced ICs, as well as computers, electronic assemblies, and components classified in certain ECCNs, when the items will be used, directly or indirectly, for certain supercomputer-related end uses.

Following the 2022 Rule, the 2023 Rule thereafter revised and expanded upon the 2022 Rule. Below is an overview of the changes coming out of the 2023 Rule as compared to the 2022 Rule.

- **Additional Controls on Semiconductor Manufacturing Equipment**: BIS expanded the scope of the SME export controls to capture additional tools and equipment critical to development of certain advanced ICs and expanded the SME controls to restrict exports to additional destinations. Newly controlled items include certain equipment and components for the most advanced IC production operations, such as EUV (extreme ultraviolet) etching and advanced deposition processing. BIS also removed the de minimis U.S. content threshold for certain foreign-produced lithography equipment, making such items subject to the Export Administration Regulations (EAR) when produced with any U.S.-origin content.

- **Additional Controls on Semiconductors**: BIS also expanded the scope of ECCN 3A090 to capture a variety of additional ICs, with the stated purpose of controlling ICs that "could provide nearly comparable AI model training capability as those controlled" in the 2022 Rule. BIS expanded ECCN 3A090.a to now broadly control ICs with one or more digital processing units having either (1) a 'total processing performance' of 4800 or more, or (2) a 'total processing performance' of 1600 or more and a 'performance density' of 5.92 or more. ECCN 3A090.b now controls ICs with one or more digital processing units having either (1) a 'total processing performance' of 2400 or more and less than 4800 and a 'performance density' of 1.6 or more and less than 5.92 or (2) a 'total processing performance' of 1600 or more and a 'performance density' of 3.2 or more and less than 5.92. At the same time, BIS created a carve-out for certain ICs that are not designed or marketed for use in datacenters with a 'total processing performance' of less than 4800. The controls also extend to any items containing such ICs categorized elsewhere on the Commerce Control List (CCL) and have been expanded to cover additional countries. The 2023 Rule also created a new license exception, License Exception

Notification Advanced Computing (NAC), to create a notification requirement for certain exports of less sophisticated ICs now controlled under 3A090. BIS also created a favorable license application review policy for exports to newly controlled destinations.

- **Revisions and Additions to Various End Use Controls and US Person Restrictions**: In addition to controls on new ICs and SME, BIS expanded and revised certain end use controls on items "subject to the EAR," including end use controls related to supercomputers and semiconductor manufacturing end uses. BIS expanded the geographic scope of the restrictions, and also expanded the geographic scope of the restrictions on certain activities of US persons. BIS also clarified and narrowed certain US person restrictions to avoid restricting servicing by US persons of items at certain legacy-node facilities. Finally, BIS clarified in the recent regulations that a facility where only development activities occur, such as purely design work, would not fall within the scope of the controls. Likewise, BIS created an exclusion to the restrictions, carving out from "production" certain "back-end" steps like assembly, testing, and packaging, which would not alter the technology level of ICs.

- **Additional Geographic Scope Expansion for Advanced Computing FDPR**: BIS also broadened the country scope of the Advanced Computing FDPR. The Advanced Computing FDPR previously controlled foreign produced advanced computer items (meeting the performance parameters of 3A090 or 4A090) when destined to China if they are the direct product of certain U.S.-origin software or technology. Following the 2023 Rule, the geographic scope of the rule was expanded.

- **Entity List Additions**: In conjunction with the 2023 Rule, BIS also added two PRC companies, along with certain subsidiaries, to the Entity List.

Under the EAR, an item manufactured outside of the United States can be subject to EAR jurisdiction if the item incorporates certain above de minimis U.S. controlled content (the de minimis rule) or is subject to one of the EAR's foreign direct product rules. The Target Group product has not incorporated, and will not incorporate, any U.S. controlled content, and therefore would not be captured under the EAR's de minimis rule. Under variations of the EAR's foreign direct product rule, a foreign-produced item may also be subject to EAR jurisdiction if it is produced from certain controlled U.S. technology or software or is a direct product of a complete plant or a major component of a plant that itself is the direct product of certain U.S.-origin technology and it falls under certain Export Control Classification Number provisions (ECCNs) on the EAR's Commerce Control List (CCL). The EAR foreign direct product rules do not apply to the Target Group's product as it is not the direct product of, or the direct product of a plant or major component of a plant that is itself the direct product of, any applicable U.S.-origin technology or software.

Certain export control rules restrict activities of U.S. persons, and other rules impose end use and end user restrictions on goods subject to the EAR, even if categorized as EAR99. The EAR impose certain restrictions on transactions involving goods subject to U.S. jurisdiction based on the "end use" to which the item will be put, or the "end user" that will ultimately receive the item. These restrictions are set out in Part 744 of the EAR. End use restrictions involve certain restrictions on nuclear or weapons of mass destruction (WMD) uses, certain military end uses, as well as more recently certain restrictions on semiconductor manufacturing end uses, advanced computing, and supercomputers. End user restrictions primarily include parties on certain restricted party lists, such as the Entity List maintained by the BIS and Security of the U.S. Department of Commerce, as well as certain military or military intelligence end users.

In January 2025, the U.S. Department of Commerce's Bureau of Industry and Security, or BIS, has promulgated a final rule, the BIS Final Rule, which went into effect on March 16, 2025, 60 days from the date of publication in the Federal Register on January 15, 2025. The BIS Final Rule prohibits hardware importers from knowingly importing into the United States certain hardware for vehicle connectivity systems, or VCS, and prohibits connected vehicle manufacturers from knowingly importing into the United States or selling within the United States completed connected vehicles that incorporate covered software, unless otherwise authorized. These prohibitions apply to transactions involving VCS hardware or software designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction of the PRC or Russia. In addition, connected vehicle manufacturers under PRC or Russian control are prohibited from selling completed connected vehicles with VCS hardware or covered software in the United States, regardless of the origin of that hardware or software. Nevertheless, connected vehicle manufacturers that are owned by, controlled by, or subject to the jurisdiction or direction of the PRC or Russia were permitted to sell completed connected vehicles with a model year prior to 2027 that incorporated VCS hardware or covered software.

As the BIS Final Rule clearly affirmed that "sensing systems, such as radar, audio, video, or Light Detection and Ranging (LiDAR) hardware and software, are not VCS" at this stage, it does not prohibit us from selling our products to the U.S. In addition, substantially all our current and target customers, such as OEMs and ADAS solution providers, are in the PRC, and our sales as well as the sales of our customers in the U.S. market are de minimis. Based on the above analysis, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, the U.S. export control laws did not have and are not expect to have any material adverse impact on our business, results of operation and financial performance.

PRC GOVERNMENT REGULATION

Regulations Related to Foreign Investment

The establishment, operation and management of companies in the PRC are mainly governed by the Company Law, which was issued by the Standing Committee of the National People's Congress, or SCNPC, and was last amended on December 29, 2023, with effect from July 1, 2024. The Company Law applies to both PRC domestic companies and foreign-invested companies. The investment activities in China of foreign investors are also governed by the Foreign Investment Law, which was approved by the National People's Congress of China on March 15, 2019 and took effect on January 1, 2020. Along with the Foreign Investment Law, the Implementing Rules of Foreign Investment Law promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law promulgated by the Supreme People's Court became effective on January 1, 2020. Pursuant to the Foreign Investment Law, the term "foreign investments" refers to any direct or indirect investment activities conducted by any foreign investor in the PRC, including foreign individuals, enterprises or organizations; such investment includes any of the following circumstances: (i) foreign investors establishing foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors acquiring shares, equity interests, property portions or other similar rights and interests thereof within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) other forms of investments as defined by laws, regulations, or as otherwise stipulated by the State Council.

Pursuant to the Foreign Investment Law, the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments. We refer to this as the negative list. The Foreign Investment Law grants treatment to foreign investors and their investments at the market access stage which is no less favorable than that given to domestic investors and their investments, except for the investments of foreign investors in industries deemed to be either "restricted" or "prohibited" on the negative list. The Foreign Investment Law provides that foreign investors shall not invest in the "prohibited" industries on the negative list, and shall meet such requirements as stipulated under the negative list for making investment in "restricted" industries on the negative list. Accordingly, the National Development and Reform Commission and the Ministry of Commerce promulgated the Special Entry Management Measures (Negative List) for the Access of Foreign Investment (2024 Version), or the 2024 Negative List, which took effect from November 1, 2024, and the National Development and Reform Commission and the Ministry of Commerce promulgated the Encouraged Industry Catalogue for Foreign Investment (2022 version), or the 2022 Encouraged Industry Catalogue, which took effect on January 1, 2023. Industries not listed in the 2024 Negative List and the 2022 Encouraged Industry Catalogue are generally open for foreign investments unless specifically restricted by other PRC laws.

The Foreign Investment Law and its implementing rules also provide several protective rules and principles for foreign investors and their investments in the PRC, including, among others, local governments shall abide by their commitments to the foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special

circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner; expropriation or requisition of the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; and the capital contributions, profits, capital gains, proceeds out of asset disposal, licensing fees of intellectual property rights, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within China, may be freely remitted inward and outward in RMB or a foreign currency. Also, foreign investors or the foreign-invested enterprise will have legal liabilities imposed for failing to report investment information in accordance with the requirements.

Our current businesses, including the independent research and development of LiDAR solutions and sale of LiDAR solutions, are not included in the 2024 Negative List and are not otherwise restricted for foreign investment by PRC laws and regulations. However, as the negative list is amended from time to time, and other PRC laws and regulations on foreign investment restrictions are subject to change as well, we cannot guarantee that our businesses will not become subject to restrictions on foreign investment in the future.

Regulations Related to Product Liability

Pursuant to the Product Quality Law, which was last amended on December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes personal injury or property damage, the aggrieved party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers and sellers of noncompliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and fines. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

On May 28, 2020, the National People's Congress promulgated the Civil Code of the People's Republic of China, or the Civil Code, which took effect on January 1, 2021. Under the Civil Code, if a product is found to be defective and to compromise the personal and property security of others, the victim may require compensation to be made by the manufacturer or the seller of the product. Where any manufacturer or seller knowingly produces or sells defective products or fails to take effective remedial measures in accordance with the Civil Code and thus causes death or serious damage to the health of another person, such person shall be entitled to claim punitive damages. If the transporter or storekeeper is responsible for the matter, the manufacturer or seller shall have the right to demand compensation for its losses.

Regulations Related to Import and Export of Goods

Pursuant to the Foreign Trade Law promulgated by the Standing Committee of the National People's Congress of the PRC, or the SCNPC, on May 12, 1994 which came into effect on July 1, 1994 and amended on April 6, 2004 and November 7, 2016 respectively, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with the Ministry of Commerce (formerly known as the Ministry of Foreign Trade and Commerce) or the agency entrusted by the Ministry of Commerce. According to the Foreign Trade Law last amended and effective on December 30, 2022, foreign trade business operators engaging in the import and export of goods or technologies are not required to go through the aforementioned record filing and registration formalities anymore from December 30, 2022.

Pursuant to the Customs Law promulgated by the SCNPC on January 22, 1987 which came into effect on July 1, 1987 and last amended on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall register with the Customs in accordance with the laws. Where Customs declaration business is engaged in without being filed with the Customs, the Customs shall impose a fine against the party concerned. Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities promulgated by the General Administration of Customs on November 19, 2021 which came into effect from January 1, 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws.

Regulations Related to Cybersecurity and Information Security

On July 1, 2015, the SCNPC issued the National Security Law, which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cyber security development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC issued the Cybersecurity Law, which came into effect on June 1, 2017. The Cybersecurity Law provides that network operators must set up internal security management systems that meet the requirements of a classified protection system for cyber security, including appointing dedicated cyber security personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cyber security incidents, and taking data security measures such as data classification, backups and encryption. The

Cybersecurity Law sets high requirements for the operational security of facilities deemed to be part of the PRC's "critical information infrastructure." These requirements include data localisation, i.e., storing personal information and important business data in the PRC, and national security review requirements for any network products or services that may impact national security. Among other factors, "critical information infrastructure" is defined as critical information infrastructure, that will, in the event of destruction, loss of function or data leak, result in serious damage to national security, the national economy and people's livelihoods, or the public interest. Specific reference is made to key sectors such as public communication and information services, energy, transportation, water resources, finance, public services and e-government. On September 12, 2022, the CAC proposed a series of draft amendments to the Cybersecurity Law, imposing more stringent legal liabilities for certain violations. Such draft amendments were released for soliciting public comments until September 29, 2022 and their final form, interpretation and implementation remain uncertain. On March 28, 2025, the CAC has released the Amendment to the Cybersecurity Law (Second Draft for Public Consultation) for public comment. This draft amendment aims to enhance the coherence of legislation, and to make necessary adjustments regarding the types, scope, and severity of administrative penalties.

On December 28, 2021, the CAC, together with certain other PRC governmental authorities, promulgated the Revised Cybersecurity Review Measures that replaced the previous version and came into effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by an operator of critical information infrastructure or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, any online platform operator possessing over one million users' information must apply for a cybersecurity review before listing abroad. The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

On June 10, 2021, the SCNPC promulgated the Data Security Law, which came into effect in September 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information. We may be required to make further adjustments to our business practices to comply with this law.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, effective on September 1, 2021. According to the Regulations on Security Protection of Critical Information Infrastructure, a "critical information infrastructure" refers to an important network facility and information system in important industries that may seriously endanger national security, the national economy, the people's livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent governmental authorities and supervision and management authorities of the aforementioned important industries will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules; and (ii) promptly notifying the identified operators and the public security department of the State Council of the identification results.

On August 16, 2021, the CAC, together with other authorities, promulgated Several Provisions on Regulation of Automobile Data Security (for Trial Implementation) , or the Automobile Data Security Provisions, to regulate the processing of automobile data, which took effect on October 1, 2021. Automobile data processors, which are broadly defined as organizations engaging in activities related to the processing of automotive data, including automobile manufacturers, component and software providers, dealers, maintenance providers, etc., are required to process personal information and important data in accordance with applicable laws during the design, manufacture, sales, operation, maintenance and management of automobiles. According to the Automobile Data Security Provisions, any automotive data processor that processes important data is required to submit a risk assessment report to the provincial cyberspace administration and other competent authorities, and to submit annual report with regards to data security management to the provincial cyberspace administration and other competent authorities. On September 24, 2024, the State Council published the Regulations on Network Data Security Management, which came into effect on January 1, 2025. The Regulations on Network Data Security Management require that if the network data processing activities have or may have an impact on national security, such activities should be subject to national security review in accordance with relevant laws and regulations. However, the Regulations on Network Data Security Management do not provide any guidance for assessing the impact on national security in the context of network data processing. According to the Network Data Security Regulations, data processors shall identify and report important data according to relevant rules, and processors of important data shall adopt specific measures to secure important data, such as designing the personnel and management body responsible for the network data security, conducting risk assessment under prescribed circumstances as well as submitting annual risk assessment reports to competent authorities. Failure to protect important data, including failure to identify and report important data, can lead to administrative penalties, including fines, suspension of business operations, and revocation of business licenses.

Regulations Related to Personal Information Protection

The Personal Information Protection Law issued on August 20, 2021 by the SCNPC, provided a comprehensive personal information protection system, under which in case of any personal information processing, individual prior consent must be obtained except in other

circumstances stipulated therein to the contrary. Further, any data processing activities in relation to sensitive personal information including biometrics, religious beliefs, specific identities, medical health, financial accounts, whereabouts, personal information of teenagers under fourteen years old and other personal information once leaked or illegally used might easily lead to the infringement of personal dignity or harm of personal and property safety, are only allowed provided such activities are purpose-specified, highly necessary and strictly protected. Personal information processors who use personal information on automated decision-making must ensure the transparency of decision-making and the fairness and impartiality of the results and may not impose unreasonable differential treatment in terms of transaction prices and other transaction conditions. In addition, cross-border personal information transmission is restricted unless certain requirements in the Personal Information Protection Law have been satisfied, including security review organized by the national cyberspace department and other conditions specified by the laws, regulations and the national cyberspace department. In addition to the PIPL, the PRC has also released rules subordinated to the PIPL including the Measures for the Security Assessment for Cross-border Data Transfer, the Measures for the Prescribed Agreement for Cross-Border Transfer of Personal Information, the Provisions on Promoting and Regulating Cross-border Data Flows and corresponding submission/filing guidelines for the implementation of cross-border data transfer compliance mechanisms. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows, or the "Provisions on Data Flows", effective on the date of promulgation. The Provisions on Data Flows provide several exemptions from undergoing security assessment, obtaining personal information protection certification, or entering into prescribed agreement for cross-border transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor transfers personal information overseas for the necessity of implementing cross-border HR management in accordance with labor rules and regulations established by law and collective contracts signed in accordance with law and where a data processor, other than CIIO, has cumulatively transferred overseas the personal information (excluding sensitive personal information) of fewer than 100,000 individuals since January 1 of the current year ("**De-minis Exemption**"). The Provisions on Data Flows prevail over the Security Assessment Measures and Provisions on Prescribed Agreement for any discrepancies including the thresholds above.

Regulations Related to Environmental Protection and Work Safety

Environmental Protection

Pursuant to the Environmental Protection Law promulgated by the SCNPC on December 26, 1989, and amended on April 24, 2014, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gas, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within a prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. Any person or entity that pollutes the environment resulting in damage could also be held liable under the Civil Code. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

Work Safety

Under relevant construction safety laws and regulations, including the Work Safety Law, which was promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety job responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets the national or industrial standards. Automobile and components manufacturers are subject to such environment protection and work safety requirements.

Fire Control

Pursuant to the Fire Safety Law, which was promulgated by the SCNPC on April 29, 1998, and last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Project promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, and last amended on August 21, 2023, the construction entity of a large-scale crowded venue (including the construction of a manufacturing plant whose size is over 2,500 square meters) and other special construction projects must apply for fire prevention design review with fire control authorities, and complete fire assessment inspection and acceptance procedures after the construction project is completed. The construction entity of other construction projects must complete the filing for fire prevention design and the fire safety completion inspection and acceptance procedures within five business days after passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such venue is put into use or fails to conform to the fire safety requirements after such inspection, it will be subject to (i) orders to suspend the construction of projects, use of such projects, or operation of relevant business; and (ii) a fine between RMB30,000 and RMB300,000.

Regulations Related to Intellectual Property in the PRC

Trademark

Registered trademarks are protected under the Trademark Law, which was promulgated by the SCNPC on August 23, 1982, and last amended on April 23, 2019, and other related rules and regulations. Trademarks are registered with the Trademark office of National Intellectual Property Administration under the State Administration for Market Regulation, formerly the Trademark Office of the State Administration of Industry and Commerce. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Copyright

Copyrights in the PRC, including software copyrights, are principally protected under the Copyright Law, which was promulgated by the SCNPC on September 7, 1990, and last amended on November 11, 2020, and other related rules and regulations. Under the Copyright Law, the term of protection for software copyrights is 50 years. The Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks, as last amended on January 30, 2013, provides specific rules on fair use, statutory license, and a safe harbor for use of copyrights and copyright management technology and specifies the liabilities of various entities for violations, including copyright holders, libraries and internet service providers.

The National Copyright Administration administers software copyright registration and the Copyright Protection Center of China is designated as the software registration authority. The Copyright Protection Center of China grants registration certificates to the computer software copyrights applicants which meet the relevant requirements.

Patent

Patents in the PRC are principally protected under the Patent Law, which was promulgated by the SCNPC on March 12, 1984, and last amended on October 17, 2020. The Chinese patent system adopts a first-to-file principle. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The duration of a patent right is either 10 years, 15 years or 20 years from the date of application, depending on the type of patent right.

Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names promulgated by the Ministry of Industry and Information Technology of the People's Republic of China on August 24, 2017 and effective as of November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

Regulations on Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises is the Company Law. Under this law and its regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with China's accounting standards and regulations. In addition, a PRC company, including a foreign-invested enterprise in China, is required to allocate at least 10% of its accumulated profits each year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprise. A PRC company may, at its discretion, allocate a portion of its after-tax profits based on China accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

Regulations Related to Foreign Exchange Registration of Overseas Investment by PRC Residents

In 2014, SAFE issued the SAFE Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 regulates foreign exchange matters in relation to the use of special purpose vehicles by PRC residents or entities to seek offshore investment and financing or conduct round-trip investment in the PRC. Under SAFE Circular 37, a "special purpose vehicle" refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while "round-trip investment" refers to direct investment in the PRC by PRC residents or entities through special purpose vehicles, namely, establishing foreign-invested enterprises to obtain ownership, control rights and management rights. SAFE Circular 37 provides that, before making a contribution into a special purpose vehicle, PRC residents or entities are required to complete foreign exchange registration with SAFE or its local branch.

In 2015, SAFE Notice 13 amended SAFE Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. PRC residents or entities who had contributed legitimate onshore or offshore interests or assets to special purpose vehicles but had not registered as required before the implementation of SAFE Circular 37 must register their ownership interests or control in the special purpose vehicles with qualified banks. An amendment to the registration is required if there is a material change with respect to the special purpose vehicle registered, such as any

change of basic information (including change of the PRC residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, and mergers or divisions. Failure to comply with SAFE registration requirements described above, or making misrepresentations or failing to disclose the control of the foreign-invested enterprise that is established through round-trip investment, may result in restrictions being imposed on the foreign exchange activities of the relevant foreign-invested enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under PRC foreign exchange administration regulations.

Regulations Related to M&A Rules and Overseas Listing

On August 8, 2006, six PRC governmental and regulatory agencies, including the Ministry of Commerce and the CSRC, promulgated the M&A Rules, which became effective on September 8, 2006 and was revised on June 22, 2009, governing the mergers and acquisitions of domestic enterprises by foreign investors. The M&A Rules, among other things, require that a special purpose vehicle, formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals through acquisitions of shares of or equity interests in PRC domestic companies, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

Furthermore, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities, which were available to the public on July 6, 2021 and emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies, and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies, and provided that the special provisions of the State Council on overseas offering and listing by those companies limited by shares will be revised and therefore the duties of domestic industry competent authorities and regulatory authorities will be clarified.

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures, and relevant five guidelines on the application of Overseas Listing Trial Measures, which took effect from March 31, 2023. According to the Overseas Listing Trial Measures, companies in mainland China that seek to offer securities or list in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC. The Overseas Listing Trial Measures provide that if the issuer meets both of the following criteria, the overseas securities offering or listing conducted by such issuer will be deemed as an indirect overseas offering or listing by PRC domestic companies: (i) more than 50% of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by companies in mainland China; and (ii) the main parts of the issuer's business activities are conducted in PRC, or its main place(s) of business are located in mainland China, or the senior managers in charge of its business operation and management are mostly PRC citizens or domiciled in

mainland China. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. A domestic company that seeks to directly or indirectly list its domestic assets in overseas markets through single or multiple acquisitions, share swaps, transfers of shares or other means, shall fulfill the filing procedure as prescribed thereunder. In addition, pursuant to the guidelines on the application of Overseas Listing Trial Measures, where an issuer submits an confidential application for offering and listing to competent overseas regulators, such issuer may submit an explanation to the CSRC at the time of filing and apply for postponement of publication of the filing information, and such issuer shall notify the CSRC within three business days after the application documents for offering and listing are published overseas. Furthermore, the Overseas Listing Trial Measures provide that an overseas listing or offering by a PRC domestic company is explicitly prohibited under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security upon reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to conduct the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to conduct the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. For violations of these provisions or measures, the competent Chinese authorities may impose administrative regulatory measures, such as orders for correction, warnings, fines, and may pursue legal liability in accordance with law.

On February 24, 2023, the CSRC and several other Chinese authorities promulgated the revised Confidentiality Provisions, which came into effect on March 31, 2023. According to the Confidentiality Provisions, Chinese companies that directly or indirectly conduct overseas offerings or listings, shall strictly abide by the relevant laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering or listing. The PRC domestic companies shall obtain approval from the competent authority and file with the confidential administration department at the same level when providing or publicly disclosing documents and materials related to state secrets or secrets of the governmental authorities to the relevant securities companies, securities service agencies or the offshore regulatory authorities or providing or publicly disclosing such documents and materials through its offshore listing entity, and shall complete corresponding procedures when providing or publicly disclosing documents and materials which may adversely influence national security and the public interest to the relevant securities companies, securities service agencies or the offshore regulatory authorities or providing or publicly disclosing such documents and

materials through its offshore listing entity. The PRC domestic companies shall provide written statements on the implementation on the aforementioned rules to the relevant securities companies and securities service agencies and the PRC domestic companies shall not provide accounting files to an overseas accounting firm unless such firm comply with the corresponding procedures.

Regulations Related to Stock Incentive Plans

SAFE promulgated the Circular of SAFE on Issues Concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Overseas, or the Stock Option Rules, in February 2012. Under the Stock Option Rules and other relevant rules and regulations, the PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants in a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of the participants.

In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan or the PRC agent or any other material changes. The PRC agent must apply to SAFE or its local branches on behalf of the PRC residents who have the right to exercise the employee share options for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents.

Regulations Related to Taxation and Foreign Exchange

For more details, please refer to the section headed ''Appendix IV – Taxation and Foreign Exchange'' in this document.

Regulations Related to Employment and Social Welfare

Pursuant to the PRC Labor Law, which was promulgated by the SCNPC on July 5, 1994, and last amended and effective on December 29, 2018, and the PRC Labor Contract Law, which was promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012, and effective on July 1, 2013, employers must execute written labor contracts with full-time employees. Employers are prohibited from forcing employees to work above a certain time limit and employers shall pay employees for overtime work in accordance with national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

In addition, according to the PRC Social Insurance Law implemented on December 29, 2018 and the PRC Regulations on the Administration of Housing Funds implemented on March 24, 2019, employers in the PRC must provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

CAYMAN ISLANDS REGULATION

We have certain duties under the Data Protection Act (as amended) of the Cayman Islands, or the DPA, based on internationally accepted principles of data privacy.

Privacy Notice

This privacy notice puts our shareholders and ADS holders on notice that through your investment in ADSs and/or ordinary shares in our company you will provide us with certain personal information which constitutes personal data within the meaning of the DPA.

Investor Data

We will collect, use, disclose, retain and secure personal data, as defined under the DPA, to the extent reasonably required only and within the parameters that could be reasonably expected during the normal course of business. We will only process, disclose, transfer or retain personal data to the extent legitimately required to conduct our activities on an ongoing basis or to comply with legal and regulatory obligations to which we are subject. We will only transfer personal data in accordance with the requirements of the DPA, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental

loss, destruction or damage to the personal data. In our use of this personal data, we will be characterized as a "data controller" for the purposes of the DPA, while our affiliates and service providers who may receive this personal data from us in the conduct of our activities may either act as our "data processors" for the purposes of the DPA or may process personal information for their own lawful purposes in connection with services provided to us. We may also obtain personal data from other public sources. Personal data includes, without limitation, the following information relating to a shareholder and/or any individuals connected with a shareholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the shareholder's investment activity.

Who this Affects

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation your investment in our company, this will be relevant for those individuals and you should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How We May Use Shareholder and ADS holder Personal Data

Our company, as the data controller, may collect, store and use personal data for lawful purposes, including, in particular:

1. where this is necessary for the performance of our rights and obligations under any purchase agreements;

2. where this is necessary for compliance with a legal and regulatory obligation to which we are subject (such as compliance with anti-money laundering, counter-terrorist financing, prevention of proliferation financing, financial sanctions and FATCA/CRS requirements); and/or

3. where this is necessary for the purposes of our legitimate interests and such interests are not overridden by your interests, fundamental rights or freedoms.

Should we wish to use personal data for other specific purposes (including, if applicable, any purpose that requires your consent), we will contact you.

Why We May Transfer Your Personal Data

In certain circumstances we may be legally obliged to share personal data and other information with respect to your shareholding with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

We anticipate disclosing personal data to persons who provide services to us and their respective affiliates (which may include certain entities located outside the United States, the Cayman Islands or the European Economic Area), who will process your personal data on our behalf.

The Data Protection Measures We Take

Any transfer of personal data by us or our duly authorized affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

We and our duly authorized affiliates and/or delegates shall apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of personal data, and against accidental loss or destruction of, or damage to, personal data.

We shall notify you of any personal data breach that is reasonably likely to result in a risk to your interests, fundamental rights or freedoms or those data subjects to whom the relevant personal data relates.

Rights of Individual Data Subjects

Individual data subjects have certain data protection rights, including the right to:

- be informed about the purposes for which your personal data are processed;
- access your personal data;
- stop direct marketing;
- restrict the processing of your personal data;
- have incomplete or inaccurate personal data corrected;
- ask us to stop processing your personal data;
- be informed of a personal data breach (unless the breach is unlikely to be prejudicial to you);
- complain to the Data Protection Ombudsman; and
- require us to delete your personal data in some limited circumstances.

OVERVIEW

As of the Latest Practicable Date, Dr. Bao controlled the exercise of approximately 20.97% of the voting rights of the Target Company, including:

- approximately 6.04% of the voting rights of the Target Company Shares, held by High Altos Limited, a company wholly-owned by Dr. Bao;

- approximately 10.60% of the voting rights of the Target Company Shares, held by Phthalo Blue LLC, a limited liability company of which Dr. Bao is the manager;

- approximately 3.31% of the voting rights of the Target Company Shares held by the ESOP Proxy Grantors pursuant to the Award Agreements and the Trust Deed, in which Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 1,790,823 Target Company Shares. The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed; and

- approximately 1.02% of the voting rights of the Target Company Shares, which are granted to Dr. Bao pursuant to the Voting Proxy Agreements (as summarized below) by the Proxy Shareholders.

As of the Latest Practicable Date, Dr. Bao is considered to be in a position to control the composition of a majority of the Board of the Target Company, considering that he is entitled to cast six votes (out of a total of 11 votes from no more than six Directors of the Target Company (including Dr. Bao)) in the Board of the Target Company, according to the Target Company Articles. As such, as of the Latest Practicable Date, Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of Controlling Shareholders of the Target Company by virtue of Rule 1.01 of the Listing Rules.

Immediately following the Closing (assuming the Presumptions), each Successor Company Director is entitled to cast one vote in the Successor Board. Dr. Bao, through High Altos Limited and Phthalo Blue LLC and by virtue of the Voting Proxy Agreements, will be able to control the exercise approximately 13.70% of the voting rights of the Successor Company. As such, immediately following the Closing (assuming the Presumptions), Dr. Bao, High Altos Limited and Phthalo Blue LLC are considered to be a group of single largest shareholders of the Successor Company as no other Shareholder will be capable of exercising more voting rights than those exercisable by Dr. Bao Junwei (through High Altos Limited, Phthalo Blue LLC and the Voting Proxy Agreements).

For further background of the Single Largest Group of Shareholders, see "Directors and Senior Management of the Successor Company" and "History, Development and Corporate Structure of the Target Group" in this circular.

Voting Proxy Agreements

To demonstrate the Proxy Shareholders' confidence in the management of the Target Group under the supervision of Dr. Bao, the Proxy Shareholders entered into the Voting Proxy Agreements with Dr. Bao to (i) further affirm such Proxy Shareholders' support and faith in the commercial direction and guidance of Dr. Bao to act in a manner that is aligned with the interests of the Target Group (including attaining the Target Group's long-term business prospects and strategic objectives) and the Target Company Shareholders (including the Proxy Shareholders) as a whole; (ii) reflect the importance of Dr. Bao's vision and leadership in the Target Group's continued growth; and (iii) enable Dr. Bao to further consolidate his control in the Target Group and continue to drive the Target Group's development.

Pursuant to the Voting Proxy Agreements, Dr. Bao is entitled to exercise, in his sole discretion, all voting rights of the Target Company Shares held by the Proxy Shareholders in the general meetings of the Target Company, representing approximately 1.04% of the voting rights of the Successor Company Shares held by the Proxy Shareholders immediately upon completion of the De-SPAC Transaction and assuming the Presumptions.

The Voting Proxy Agreements took immediate effect upon the date thereof and shall continue in force, and will be terminated upon (i) the time when the relevant Proxy Shareholder or his affiliates cease to hold any of the Target Company Shares which form the subject shares under the Voting Proxy Agreements or (ii) the consummation of the sale of the Target Company's securities pursuant to a registration statement filed by the Target Company in connection with the firm commitment underwritten offering of its securities to the general public. For the avoidance of doubt, the Voting Proxy Agreements will not terminate upon the completion of the De-SPAC Transaction pursuant to their terms.

INDEPENDENCE OF THE BUSINESS

Having considered the following factors, the Directors of the Successor Company are satisfied that the Successor Group is capable of carrying on its business independently from the Single Largest Group of Shareholders and their respective close associates following the Closing.

Management Independence

Upon the Closing, the Successor Board will consist of two executive Directors and three independent non-executive Directors, and the senior management team of the Successor Company will comprise five members (including such two executive Directors).

The executive Directors and the senior management team are responsible for the day-to-day management of our operations. Notwithstanding the roles of the Single Largest Group of Shareholders, the Directors of the Successor Company are of the view that the Successor Company is able to function independently from the Single Largest Group of Shareholders for the following reasons:

(i) all three independent non-executive Directors are independent of the Single Largest Group of Shareholders and decisions of the Successor Board require the approval of a majority vote from the Successor Board;

(ii) the Successor Company has appointed three independent non-executive Directors, comprising more than one-third of the total members of the Successor Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors with a view to promote the interests of the Successor Company and the shareholders as a whole;

(iii) the Successor Company has established internal control mechanisms to identify connected transactions to ensure that its shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;

(iv) in the event that there is potential conflict of interest arising out of any transaction to be entered into between the Successor Company and the Directors of the Successor Company or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interests and shall abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum; and

(v) each of the Directors is aware of his fiduciary duties and responsibilities under the Listing Rules as a director, which require that he or she acts for the benefit and in the best interest of the Successor Company and does not allow any conflict between his duties as a Director and his personal interests.

Based on the above, the Directors of the Successor Company believe that the Successor Board and senior management as a whole are able to perform the managerial role in the Successor Company independently from the Single Largest Group of Shareholders and their respective close associates.

Operational Independence

The Successor Group is not operationally dependent on the Single Largest Group of Shareholders. The Successor Company (through its subsidiaries) holds all relevant licenses and owns all relevant intellectual properties and research and development resources necessary to carry on the business. The Successor Company has sufficient capital, facilities, equipment and employees to operate its business independently from the Single Largest Group of Shareholders. The Successor Company also has independent access to its customers.

Based on the above, the Directors of the Successor Company believe that the Successor Group is able to operate independently from the Single Largest Group of Shareholders and their respective close associates.

Financial Independence

The Successor Group has its own independent financial, internal control and accounting systems. It makes financial decisions and determines its use of funds according to its own business needs. The Successor Company has opened accounts with banks independently and do not share any bank account with the Single Largest Group of Shareholders. The Successor Company has made tax filings and paid tax independently from the Single Largest Group of Shareholders pursuant to applicable laws and regulations. The Successor Company has established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. The Successor Company has adequate internal resources to support its daily operation. The Successor Company does not expect to rely on the Single Largest Group of Shareholders or any of their close associates for financing after the Listing as the Successor Company expects that its working capital will be funded by the Pre-Listing Investors' investments as well as the proceeds from the De-SPAC Transaction.

As of the Latest Practicable Date, there was no outstanding loan extended by the Single Largest Group of Shareholders or their close associates to the Target Group and no guarantee has been provided for our benefit by the Single Largest Group of Shareholders or any of their close associates.

Based on the above, the Directors of the Successor Company consider that there is no financial dependence on the Single Largest Group of Shareholders and their respective close associates.

COMPETITION

As of the Latest Practicable Date, none of the Single Largest Group of Shareholders or the Directors of the Successor Company had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Successor Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

The Successor Company will comply with the provisions of the Corporate Governance Code which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders, except for code provision C.2.1 of Part 2 of the Corporate Governance Code, details of which are set out in the section headed "Directors and Senior Management of the Successor Company – Corporate Governance – Corporate Governance Code" in this circular.

The Directors of the Successor Company recognize the importance of good corporate governance to protect the interests of the shareholders of the Successor Company. The Successor Company has adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between the Successor Group and the Single Largest Group of Shareholders:

(i) the Successor Company has established internal control mechanisms to identify connected transactions. Upon Listing, if the Successor Group enters into connected transactions with the Single Largest Group of Shareholders or their associates, the Successor Company will comply with the applicable requirements under the Listing Rules;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which the Single Largest Group of Shareholders or any of their close associates has any material interest, the Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum for the voting;

(iii) the Successor Board consists of a balanced composition of executive and independent non-executive Directors, with not less than one-third of independent non-executive Directors to ensure that the Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to its Shareholders. The independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between the Successor Group and the Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;

(iv) where the advice from an independent professional, such as a financial or legal adviser, is reasonably requested by the Directors of the Successor Company (including the independent non-executive Directors), the appointment of such an independent professional will be made at the Successor Company's expenses; and

(v) The Successor Company has appointed Rainbow Capital (HK) Limited as the Compliance Adviser, who will provide advice and guidance to the Successor Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, the Directors of the Successor Company are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests between the Successor Group and the Single Largest Group of Shareholders and to protect the minority Shareholders' interests after the Listing.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of (i) the authorized and issued share capital of TechStar as of the Latest Practicable Date; (ii) the authorized and issued share capital of the Target Company as of the Latest Practicable Date; and (iii) the authorized and issued share capital of the Successor Company immediately following the Closing:

1. Share capital of TechStar as of the Latest Practicable Date

(i) Authorized share capital

Shares	Description of shares	HK$
1,000,000,000	Class A ordinary shares with a par value of HK$0.0001 each	100,000
100,000,000	Class B ordinary shares with a par value of HK$0.0001 each	10,000
	Total	110,000

(ii) Issued share capital

Shares	Description of shares	HK$
100,100,000	Class A ordinary shares with a par value of HK$0.0001 each	10,010
25,000,000	Class B ordinary shares with a par value of HK$0.0001 each	2,500
	Total	12,510

As of the Latest Practicable Date, there were 50,050,000 TechStar Listed Warrants and 40,000,000 TechStar Promoter Warrants in issue. Immediately following the Effective Time, all such warrants will be automatically canceled and cease to exist.

2. Share capital of the Target Company as of the Latest Practicable Date

The following is a description of the authorized and issued share capital of the Target Company.

(i) Authorized share capital (1)

Number of shares	Description of shares	Aggregate nominal value of shares *(US$)*
1,544,737,180	Target Company Ordinary Shares of US$0.001 each	1,544,737.18
455,262,820	Target Company Preferred Shares of US$0.001 each	455,262.82
2,000,000,000	**Total**	2,000,000.00

Note:

(1) As of the Latest Practicable Date, the authorized share capital of the Target Company was US$2,000,000 divided into (i) 1,544,737,180 Target Company Ordinary Shares, (ii) 27,500,000 Series Seed Preferred Shares, (iii) 27,419,130 Series A Preferred Shares, (iv) 80,801,880 Series A-1 Preferred Shares, (v) 84,664,460 Series B Preferred Shares, (vi) 61,992,120 Series B+ Preferred Shares, (vii) 63,450,180 Series C Preferred Shares, and (viii) 109,435,050 Series D Preferred Shares.

(ii) Issued share capital (1)

Number of shares	Description of shares	Aggregate nominal value of shares *(US$)*
13,287,720	Target Company Ordinary Shares of US$0.001 each	13,287.720
40,805,920	Target Company Preferred Shares of US$0.001 each	40,805.920
54,093,640	**Total**	54,093.640

Note:

(1) As of the Latest Practicable Date, 13,287,720 Target Company Ordinary Shares, 2,750,000 Series Seed Preferred Shares, 2,741,913 Series A Preferred Shares, 8,080,188 Series A-1 Preferred Shares, 8,466,446 Series B Preferred Shares, 6,199,212 Series B+ Preferred Shares, 6,345,018 Series C Preferred Shares and 6,223,143 Series D Preferred Shares were issued and fully paid up. Each Target Company Preferred Share (other than Series A Preferred Shares) will be converted into Target Company Shares at the conversion ratio of 1:1 immediately prior to the Closing. Each Series A Preferred Share will be converted into Target Company Shares at the conversion ratio of 1:3.57929 immediately prior to the Closing.

3. Share capital of the Successor Company immediately following the Closing

The following is a description of the authorized and issued share capital of the Successor Company immediately following the Closing.

(i) Authorized share capital

Number of shares	Description of shares	Aggregate nominal value of shares *(US$)*
2,000,000,000	Successor Company Shares with a par value of US$0.001 each	2,000,000

(ii) Issued share capital

Number of shares	Description of shares	Aggregate nominal value of shares *(US$)*
1,280,110,000	Successor Company Shares held by the existing Target Company Shareholders and the TechStar Class A Shareholders(1)	1,280,110
55,130,000	Successor Company Shares held by the PIPE Investors	55,130
25,000,000	Successor Company Shares held by the Promoters	25,000
1,360,240,000	**Total**	1,360,240

Note:

(1) This includes (i) 54,093,640 Target Company Shares in issue as at the Latest Practicable Date, (ii) 7,072,179 Target Company Shares to be issued upon conversion of each Series A Preferred Share into Target Company Shares at the conversion ratio of 1:3.57929 immediately prior to the Closing, (iii) 1,108,834,181 Target Company Shares to be issued pursuant to the Capitalization Issue and (iv) 110,110,000 Successor Company Shares to be issued as a result of the Merger.

ASSUMPTIONS

The above tables have been prepared assuming the Presumptions. The above tables also do not take into account any Shares which may be issued or repurchased by the Successor Company under the general mandates granted to the Directors of the Successor Company as referred to below and any Successor Company Shares which may be issued pursuant to the exercise of Target Company Options and vesting of Target Company RSUs granted under the 2016 Share Incentive Plan.

As of the Latest Practicable Date, there were no warrants issued over the Target Company Shares.

Immediately following the Closing, 50,050,000 Successor Company Listed Warrants constituted by the Successor Company Listed Warrant Instrument and 40,000,000 Successor Company Promoter Warrants constituted by the Successor Company Promoter Warrant Agreement will be in issue.

RANKING

The Successor Company Shares to be issued upon Closing will rank pari passu in all respects with all Successor Company Shares to be issued as mentioned in this circular, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Successor Company Shares on a record date which falls after Closing.

POTENTIAL CHANGES TO SHARE CAPITAL

Circumstances under which general meetings are required

Upon Closing, the Successor Company has only one class of Shares, namely ordinary shares, and each ranks *pari passu* with the other Shares.

Pursuant to the Cayman Companies Act and the terms of the Successor Company Memorandum of Association and Articles of Association, the Successor Company may from time to time by ordinary resolution of shareholders (i) increase its share capital, (ii) consolidate and divide its share capital into shares of larger or smaller amount, and (iii) cancel any shares which have not been taken. In addition, the Successor Company may subject to the provisions of the Cayman Companies Act reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See the section headed "Summary of the Constitution of the Successor Company and Cayman Islands Company Law – 2 Articles of Association – 2.1(c) Alteration of capital" in Appendix V to this circular for further details.

Employee incentive

The Target Company has adopted the 2016 Share Incentive Plan on November 20, 2016, and the Post-Listing Share Incentive Plan on December 20, 2024, which will take effect upon the Listing. Please see the section headed "Statutory and General Information – E. Employee Incentive Plans" in Appendix VII to this circular for further details.

General mandate to issue Successor Company Shares by the Successor Company and sell and/or transfer treasury shares by the Successor Company

Subject to the Closing, the Directors of the Successor Company have been granted a general unconditional mandate to allot, issue and deal with Successor Company Shares (including the sale and/or transfer of treasury shares out of treasury held by the Successor Company) with a total number of not more than the sum of:

- 20% of the number of Successor Company Shares in issue immediately following the Closing (excluding treasury shares of the Successor Company); and

- the total number of Shares repurchased by the Successor Company under the authority referred to in the paragraph headed "– General mandate to repurchase Successor Company Shares and Successor Company Warrants by the Successor Company" in this section.

This general mandate to issue Successor Company Shares and sell and/or transfer treasury shares will expire at the earliest of:

- the conclusion of the next annual general meeting of the Successor Company unless otherwise renewed by an ordinary resolution of the Successor Company Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which the next annual general meeting of the Successor Company is required to be held by any applicable law or the Successor Company Articles; or

- the date on which it is varied or revoked by an ordinary resolution of the Successor Company Shareholders passed in a general meeting.

See the section headed "Statutory and General Information – B. Further Information about TechStar and the Successor Group – 4. Resolutions of the Successor Company Shareholders" in Appendix VII to this circular for further details of this general mandate to allot, issue and deal with the Successor Company Shares and sell and/or transfer treasury shares.

General mandate to repurchase Successor Company Shares and Successor Company Warrants by the Successor Company

Subject to the Closing, the Directors of the Successor Company have been granted a general unconditional mandate to exercise all the powers of the Successor Company to repurchase its own shares with a total number of up to 10% of the total number of the Successor Company Shares in issue immediately following the Closing (excluding treasury shares of the Successor Company) and to repurchase its own warrants with a total number of up to 10% of the total number of the Successor Company Warrants in issue immediately following the Closing.

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Successor Company Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Statutory and General Information – B. Further Information about TechStar and the Successor Group – 5. Repurchases of Successor Company Shares by Successor Company" in Appendix VII to this circular.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of the Successor Company unless otherwise renewed by an ordinary resolution of the Successor Company Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which the next annual general meeting of the Successor Company is required to be held by any applicable law or the Successor Company Articles; or

- the date on which it is varied or revoked by an ordinary resolution of the Successor Company Shareholders passed in a general meeting.

See the section headed "Statutory and General Information – B. Further Information about TechStar and the Successor Group – 4. Resolutions of the Successor Company Shareholders" in Appendix VII to this circular for further details of this general mandate to repurchase Shares.

UNDERTAKINGS BY THE SINGLE LARGEST GROUP OF SHAREHOLDERS TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

Pursuant to Rules 10.07 and 18B.67 of the Listing Rules, each of the Single Largest Group of Shareholders has undertaken to the Successor Company and to the Stock Exchange that they shall not and shall procure the registered holders controlled by them shall not: in the period commencing on the date of this circular and ending on the date which is six months from the date on which dealings in the Successor Company Shares and Successor Company Listed

Warrants commence on the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Successor Company Shares which they are shown by this circular to be the beneficial owner.

Each of the Single Largest Group of Shareholders also irrevocably and unconditionally undertakes to the Successor Company and to the Stock Exchange that, during the aforementioned six-month period, they shall:

(a) if they pledge or charge the Successor Company Shares beneficially owned by them in favour of an Authorized Institution for a bona fide commercial loan, they will immediately inform the Successor Company of such pledge or charge together with the number of the Successor Company Shares so pledged or charged; and

(b) if they receive indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Successor Company Shares will be disposed of, they will immediately inform the Successor Company of such indications.

The Successor Company will inform the Stock Exchange as soon as it has been informed of the above matters (if any) by the Single Largest Group of Shareholders and announce such as soon as possible after being so informed by the Single Largest Group of Shareholders.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors of the Successor Company are aware, immediately following the Closing and assuming the Presumptions, the following persons will have interests or short positions in the Successor Company Shares or underlying Successor Company Shares which would fall to be disclosed to the Successor Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of the Successor Company carrying rights to vote in all circumstances at general meetings of the Successor Company or any other member of the Successor Group:

Name of Shareholder	Capacity/Nature of Interest	Number of Target Company Shares interested as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued Target Company Shares as of the Latest Practicable Date	Number of Successor Company Shares interested upon completion of the De-SPAC Transaction[1]	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[2]
Dr. Bao	Interest in controlled corporation[3][4]	9,000,001	16.64%	172,154,993(L)	12.66%
	Interest held through voting powers entrusted by other persons[5]	552,799	1.04%	14,165,256(L)	1.04%
	Beneficial owner[6]	2,982,506	5.52%	57,050,359(L)	4.20%
High Altos Limited[3]	Beneficial owner[3]	3,264,630	6.04%	62,446,921(L)	4.59%
Phthalo Blue LLC[4]	Beneficial owner[4]	5,735,371	10.61%	109,708,072(L)	8.07%
Honour Key Limited	Beneficial owner[7]	3,996,000	7.39%	124,323,359(L)	9.14%
Eve One L.P.	Interest in controlled corporation[7]	3,996,000	7.39%	124,323,359(L)	9.14%
NIO Capital LLC	Interest in controlled corporation[7]	3,996,000	7.39%	124,323,359(L)	9.14%
Mr. Zhu Yan	Interest in controlled corporation[7][8]	5,240,729	9.70%	148,132,947(L)	10.89%
Mr. Li Bin	Interest in controlled corporation[7][8]	5,240,729	9.70%	148,132,947(L)	10.89%

Notes:

(1) This refers to the number of Successor Company Shares held assuming that (i) all of the Target Company Preferred Shares (other than Series A Preferred Shares) have been converted into the Successor Company Shares on a one-to-one basis, and (ii) all the Series A Preferred Share have been converted into the Successor Company Shares at the conversion ratio of 1:3.57929. The letter "L" denotes the person's long position in the Successor Company Shares.

(2) The approximate percentage of shareholding in the total issued Successor Company Shares is calculated based on the total number of 1,360,240,000 Successor Company Shares immediately after the Closing assuming the Presumptions.

(3) High Altos Limited is wholly-owned by Dr. Bao. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by High Altos Limited under the SFO.

(4) Dr. Bao is the manager of Phthalo Blue LLC. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by Phthalo Blue LLC under the SFO.

(5) Dr. Bao is entitled to exercise the voting rights of the Successor Company Shares held by Proxy Shareholders pursuant to the Voting Proxy Agreements. For details of the Voting Proxy Agreements, see "Relationship with the Single Largest Group of Shareholders of the Successor Company" in this circular. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by Proxy Shareholders under the SFO.

(6) Dr. Bao is entitled to receive up to 57,050,359 Successor Company Shares, pursuant to the Target Company Options granted to him under the 2016 Share Incentive Plan. Please see the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans".

(7) Honour Key Limited is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company. Therefore, each of Mr. Li Bin, Mr. Zhu Yan, NIO Capital LLC, Eve One L.P. is deemed to be interested in the Successor Company Shares held by Honour Key Limited under the SFO.

(8) Immediately following the Closing and assuming the Presumptions, Glory Summer Worldwide Limited is the beneficial owner of 23,809,588 Successor Company Shares, representing approximately 1.75% of the total issued share capital of the Successor Company. Glory Summer Worldwide Limited is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Target Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. Therefore, Mr. Li Bin and Mr. Zhu Yan is deemed to be interested in the Successor Company Shares held by Glory Summer Worldwide Limited under the SFO.

Except as disclosed above, the Directors of the Successor Company are not aware of any other person who will, immediately following the Closing (assuming the Presumptions), have any interest and/or short positions in the Successor Company Shares or underlying shares of the Successor Company which would fall to be disclosed to the Successor Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of the share capital of the Successor Company carrying rights to vote in all circumstances at general meetings of the Successor Company. The Directors of the Successor Company are not aware of any arrangement which may at a subsequent date result in a change of control of the Successor Company or any other member of the Successor Group.

BOARD OF DIRECTORS

Upon the Closing, the Successor Board will consist of five Directors, comprising two executive Directors and three independent non-executive Directors.

The table below sets forth certain information in respect of the members of the Successor Board immediately following the completion of the De-SPAC Transaction:

Name	Age	Position	Date of Joining the Target Group	Date of Appointment as Director of the Target Company/the Successor Company (as applicable)	Roles and Responsibilities
Executive Directors					
Dr. Bao Junwei (鮑君威)	53	Executive Director, chairman of the Board, president and chief executive officer	November 2016	November 2016	Responsible for the overall management, business strategies and sustainable development of the Successor Group
Dr. Li Yimin (李義民)	56	Executive Director and chief technology officer	November 2016	April 2023	Responsible for technology, IP development and R&D of the Successor Group
Independent Non-executive Directors					
Dr. Chen Changling (陳長齡)	52	Independent Non-executive Director	N/A	Completion date of the De-SPAC Transaction	Responsible for supervising and providing independent judgment to the Successor Board
Dr. Costas John Spanos	67	Independent Non-executive Director	N/A	Completion date of the De-SPAC Transaction	Responsible for supervising and providing independent judgment to the Successor Board
Dr. Maximilian Ibel	56	Independent Non-executive Director	N/A	Completion date of the De-SPAC Transaction	Responsible for supervising and providing independent judgment to the Successor Board

Executive Directors

Dr. Bao Junwei (鮑君威), aged 53, is an executive Director of the Successor Company, the chairman of the Successor Board, the president of the Successor Group and the chief executive officer of the Successor Group. Dr. Bao is the co-founder of the Target Company and has been the Director, the chairman of the Board and the chief executive officer of the Target Company since November 2016. Within the Target Group and other than the Target Company, he has been serving as the director of Innovusion Hong Kong Limited since May 2018; the executive director of Shanghai Jizhi Ruijian Technology Co., Ltd. (上海激智睿見智能科技有限公司) since July 2021; and the director of Granitic Capital Limited since January 2023. Dr. Bao is primarily responsible for the overall management, business strategies and sustainable development of the Successor Group.

Prior to founding the Target Company, Dr. Bao worked in Baidu USA from April 2014 to November 2016, where he served in various positions including the Head of Autonomous Driving HW&Sensors team under the Autonomous Driving division responsible for research and development of hardware and sensor, and the Head of HPC responsible for research and development of hardware acceleration and high-performance network for data centers. Dr. Bao co-founded Timbre Technologies, which was acquired by Tokyo Electron Ltd. in February 2001. From August 2001 to March 2014, Dr. Bao held different positions in Tokyo Electron America (Timbre Technologies): including working as a Vice President of Engineering and Technology, Senior Director of Engineering and Technology and working as a Senior Research Scientist.

In 2001, Dr. Bao won the Best Paper Award granted by IEEE Transactions on Semiconductor Manufacturing. Dr. Bao received his bachelor's degree of physics from Peking University (北京大學) in July 1996 in the PRC. He received his master's degree and doctorate degree in engineering from University of California, Berkeley in the U.S. in May 2000 and May 2003, respectively.

Dr. Li Yimin (李義民), aged 56, is an executive Director of the Successor Company and the chief technology officer of the Successor Group. Dr. Li is the co-founder of the Target Company and has been the chief technology officer of the Target Company since November 2016 and a Director of the Target Company since April 2023. Within the Target Group and other than the Target Company, he has been the director of Innovusion Ireland Limited since December 2016. Dr. Li is primarily responsible for technology, IP development and R&D of the Successor Group.

Prior to founding the Target Company, Dr. Li served as a senior architect of Baidu USA from March 2016 to November 2016. From March 2015 to March 2016, Dr. Li was a Staff Engineer in Hermes Microvision Inc., which is engaged in the business of electronic-beam (e-beam) technology for semiconductor yield enhancement solutions. Dr. Li worked at Agilent Technologies, which is engaged in the business of providing advanced instruments, software, services, and consumables for laboratories, from March 2012 to 2015. From August 2001 to May 2011, Dr. Li worked in different industries such as medical device, precision instrumentation, and advanced research in various U.S. organizations.

Dr. Li received his bachelor's degree in electronics and information system and doctorate degree in quantum electronics from Peking University (北京大學) in the PRC in July 1991 and July 1996, respectively.

Independent Non-executive Directors

Dr. Chen Changling (陳長齡), aged 52, is proposed to be appointed as an independent non-executive Director of the Successor Company immediately following the completion of the De-SPAC Transaction. Dr. Chen will be primarily responsible for supervising and providing independent judgment to the Successor Board.

Dr. Chen is a Tenured Associate Professor of Accounting and Approved Doctoral Dissertation Supervisor at the University of Waterloo since July 2012 and she previously was an Assistant Professor in Accounting from July 2004 to June 2012. Dr. Chen attended a five-year PhD program of Accounting at the University of Wisconsin-Madison from September 1999 to June 2004 and a three-year master program of Accounting at Peking University from September 1996 to July 1999. Prior to that, Dr. Chen worked at the Bank of China from August 1994 to July 1996.

Dr. Chen has been a non-participating member of the Chinese Institute of Certified Public Accountants (CICPA) since May 1999. She has been an associate editor at Asian-Pacific Journal of Accounting and Economics from March 2021 to March 2023. Dr. Chen was a member of the Canadian Academic Accounting Association in 2023. She was also awarded Outstanding Research Fellowship and Outstanding Leadership Fellowship by the School of Accounting and Finance, University of Waterloo, through the years from 2012 to 2024.

Dr. Chen received her bachelor's degree in management from Central University of Finance and Economics (中央財經大學) in the PRC in June 1994. She then received her master's degree in accounting from Peking University (北京大學) in the PRC in July 1999 and her doctoral degree in accounting from University of Wisconsin-Madison in the U.S. in August 2004.

Dr. Costas John Spanos, aged 67, is proposed to be appointed as an independent non-executive Director of the Successor Company immediately following the completion of the De-SPAC Transaction. Dr. Spanos will be primarily responsible for supervising and providing independent judgment to the Successor Board.

Dr. Spanos has been a faculty member in the Department of Electrical Engineering and Computer Sciences (EECS) at the University of California, Berkeley, since July 1988, where he has served several positions, including Assistant Professor from July 1988 to June 1991, and Andrew S. Grove Distinguished Professor from July 2009 to December 2023. Dr. Spanos was granted and has held the title of Andrew S. Grove Distinguished Emeritus Professor since his academic retirement in December 2023 till now. In addition to the foregoing, Dr. Spanos also served as Director of the Center for Information Technology Research in the Interest of Society (CITRIS) and the Banatao Institute from February 2014 to December 2023. From July 2022 to June 2023, he also served as Chief Executive Officer of the Berkeley Education Alliance for Research in Singapore (BEARS).

Dr. Spanos earned his diploma in Electrical Engineering from the National Technical University of Athens, Greece, in August 1980, and his master's and doctoral degrees in Electrical Engineering from Carnegie Mellon University, USA, in August 1981 and August 1985, respectively.

Dr. Maximilian Ibel, aged 56, is proposed to be appointed as an independent non-executive Director of the Successor Company immediately following the completion of the De-SPAC Transaction. Dr. Ibel will be primarily responsible for supervising and providing independent judgment to the Successor Board.

Dr. Ibel has been and is currently a member of the board of BrainKey, a company based in San Francisco, California, engaged in quantifying brain health and aligning patients with personal treatment recommendations, since December 2020. He was a partner at Amino Capital, a global venture capital firm based in Palo Alto, with investment theme of data moat and network effect, from August 2017 to July 2023. Prior to that, Dr. Ibel worked at Google Inc. in Mountain View and Google Switzerland GmbH for over 15 years. He worked as a Director of Software Engineering at Google Inc. from November 2007 to August 2017, as a Senior Staff Engineer at Google Switzerland GmbH from July 2005 to October 2007, and as an Engineer, a Senior Software Engineer and a Staff Software Engineer at Google Inc. from July 2000 to June 2005.

Dr. Ibel has been a member of Institute of Electrical and Electronics Engineers (IEEE) since January 1996 and a member of Association for Computing Machinery (ACM) since January 1996. Dr. Ibel received his diploma in mathematics from The Julius Maximilians University of Würzburg in June 1994 in Germany. Dr. Ibel then received his doctoral degree in computer science from UC Santa Barbara in December 2000 in the U.S.

SENIOR MANAGEMENT

The senior management team of the Successor Group comprises the following persons listed below:

Name	Age	Position/Title	Date of Joining the Target Group	Date of appointment as a senior management of the Successor Company	Roles and Responsibilities
Dr. Bao Junwei (鮑君威)	52	Chief executive officer	November 2016	Completion date of the De-SPAC Transaction	Responsible for the overall management, business strategies and sustainable development of the Successor Group
Dr. Li Yimin (李義民)	56	Chief technology officer	November 2016	Completion date of the De-SPAC Transaction	Responsible for technology, IP development and R&D of the Successor Group
Mr. Yao Yuan (姚遠)	44	Chief financial officer and joint company secretary	December 2024	Completion date of the De-SPAC Transaction	Responsible for leading the Successor Company's development in capital market, maintaining investor and shareholder relationship and driving revenue growth of the Successor Group from a financial and strategic perspective
Mr. Yang Zheng (楊正)	52	Chief information officer and vice president of software engineering	September 2017	Completion date of the De-SPAC Transaction	Responsible for leading the software engineering team and developing and implementing the Target Group's IT strategy
Mr. Chen Dong (陳東)	61	President of China region	June 2024	Completion date of the De-SPAC Transaction	Responsible for the management of operations in China region

Dr. Bao Junwei (鮑君威), aged 52, is the chief executive officer of the Successor Group. For details of his biography, see "– Board of Directors."

Dr. Li Yimin (李義民), aged 56, is the chief technology officer of the Successor Group. For details of his biography, see "– Board of Directors."

Mr. Yao Yuan (姚遠), aged 44, is the chief financial officer and the joint company secretary of the Successor Company, responsible for leading the Successor Company's development in capital market, and maintaining investor and shareholder relationship, and driving revenue growth of the Successor Group from a financial and strategic perspective. Mr. Yao joined the Target Group in December 2024.

Mr. Yao has over 14 years of experience in the finance industry. Prior to joining the Target Group, he served as the head of investment and corporate financing at Shanghai Binli Information Technology Co., Ltd. from May 2021 to November 2024, in charge of fundraising, managing investor and shareholder relationships, capital market strategies and managerial finance. From December 2018 to April 2021, he served as an executive director at JPMorgan Chase Bank (China) Co Ltd, responsible for providing investment banking products and services to serve China's technology sector clients. From December 2016 to October 2018, he was the vice president at Yiren Hengye Technology Development (Beijing) Co., Ltd. Prior to that, he served as the head of direct banking at PingAn Bank Co., Ltd. since September 2014, and the vice president of Bank of America N.A. from June 2011 to September 2014.

Mr. Yao received his bachelor's degree in finance from San Jose State University in December 2004 and his dual master's degree in information system and business administration from Boston University in May 2011.

Mr. Yang Zheng (楊正), aged 52, is the chief information officer and vice president of software engineering of the Successor Group since April 2023. Prior to such role, he was the Target Company's Senior Staff Software Engineer from September 2017. Mr. Yang is primarily responsible for leading the software engineering team and developing and implementing the Target Group's IT strategy.

Before joining the Target Group, Mr. Yang was a member of technical staff at Applatix Inc. since October 2015, a software company which was acquired by Intuit (Nasdaq symbol: INTU), a U.S. corporation that specializes in financial software. Since 2013, Mr. Yang worked as a technical staff at Bebop Technology Inc.; since 2011, Mr. Yang worked at Nimble Storage Inc. as a senior consultant engineer; and since 2004, Mr. Yang was a technical director at EMC Corporation, formerly known as Data Domain Inc. Mr. Yang was a technical leader at Cisco System, Inc. (Nasdaq symbol: CSCO) from 1999 to 2004.

Mr. Yang received his bachelor's degree in physics from Peking University (北京大學) in the PRC in June 1997 and master's degree in computer science from Massachusetts Institute of Technology in the U.S. in June 1999.

Mr. Chen Larry Dong (陳東), aged 61, is the president of China region of the Successor Group. Mr. Chen has been serving as the president of China region of the Target Group since June 2024. Mr. Chen is primarily responsible for the management of operations in China region.

Mr. Chen has over 20 years' experience in automotive industry. Prior to joining the Target Group, Mr. Chen worked at Valeo (ENXTPA: FR) for several years as he served (i) as the PEM General Manager of Sales in Asia and the President of operation in China from July 2022 to May 2024; (ii) as SVES China RO Vice President since March 2021; (iii) as the PTR China RO Director since March 2017; and (iv) as the Site General Manager for Wuhan region since Feb 2011. Since March 2020, Mr. Chen served as Manager of the APAC region at Punch Powertrain. Previously, Mr. Chen worked as the President of Asia Pacific Region at Trico Automotive Systems (Suzhou) Co., Ltd. (特瑞科汽車系統(蘇州)有限公司) from July 2011 to July 2014.

Mr. Chen received his bachelor's degree in engineering from Kettering University (formerly known as GMI Engineering & Management Institute) in the U.S. in June 1990. Mr. Chen received his master's degree in management from Albertus Magnus College in the U.S. in August 2000.

Directors' and Senior Management's Interests and information pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed above in this section, none of the Directors or senior management of the Successor Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this circular.

Save as disclosed above in this section, to the best of the knowledge, information and belief of the Directors of the Successor Company having made all reasonable enquiries, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Successor Company Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

Save for the interests in the Successor Company Shares held by Dr. Bao and Dr. Li Yimin which are disclosed in the section headed "Appendix VII – Statutory and General Information – D. Further Information about the Directors and Substantial Shareholders of the Successor Company – 1. Disclosure of Interests", none of the Directors held any interest in the securities within the meaning of Part XV of the SFO.

Save as disclosed above in this section, as of the Latest Practicable Date, none of the Directors or senior management is related to other Directors or senior management of the Successor Company.

JOINT COMPANY SECRETARIES

Mr. Yao Yuan (姚遠), aged 44, is one of the Successor Company's joint company secretaries and the Successor Company's Chief Financial Officer. For more information on Mr. Yao, please refer to the section headed "Directors and Senior Management of the Successor Company – Senior Management".

Mr. Lee Leong Yin (李亮賢) has been appointed as one of the Successor Company's joint company secretaries on January 16, 2025 to be taken effect from November 10, 2025. Mr. Lee is a senior manager of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Lee has over 14 years of experience in the corporate secretarial field. Mr. Lee has been providing professional corporate service to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. Lee is a Chartered Secretary, a Chartered Governance Professional and a Fellow Member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Lee obtained a bachelor's degree of Business Administration in Corporate Administration from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong).

The Successor Company has been granted a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Yao Yuan may be appointed as a joint company secretary of the Successor Company. However, the waiver can be revoked if there are material breaches of the Listing Rules by the Successor Company. For details, please see the section headed "Waivers from Strict Compliance with the Listing Rules".

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Upon the completion of the De-SPAC Transaction, the Directors of the Successor Company will receive compensation in the form of base salaries and benefits. The Successor Company will determine the compensation of the Directors based on each Director's responsibilities, qualification, position and seniority. Each of the executive Directors has entered into a service contract with the Successor Company for a term of three years effective upon the Listing Date. Each of the independent non-executive Directors has signed an appointment letter with the Successor Company for a term of three years effective upon the Listing Date. For more information on the service contracts and appointment letters, please refer to the section headed "Appendix VII – Statutory and General Information – D. Further Information about the Directors and Substantial Shareholders of the Successor Company – 2. Particulars of Service Contracts".

The aggregate amount of remuneration of the Directors of the Target Company (including salaries, allowances, benefits in kind, contribution to the pension scheme and other share-based compensation) for the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025 were approximately US$1.4 million, US$1.4 million, US$0.8 million and US$0.6 million, respectively.

It is estimated that remuneration and benefits in kind equivalent to approximately US$932,500 in aggregate will be paid and granted to the Directors by the Successor Company in respect of the financial year ending December 31, 2025 under arrangements in force at the date of this circular.

The aggregate amount of remuneration of the remaining five highest paid individuals of the Target Group (excluding a Director for the year ended December 31, 2022, two Directors for the year ended December 31, 2023, two Directors for the year ended December 31, 2024, and 2 Directors for the five months ended May 31, 2025) were approximately US$2.2 million, US$1.9 million, US$1.1 million and US$0.5 million, respectively.

During the Track Record Period, no remuneration was paid to the Directors by the Target Group or the five highest paid individuals as an inducement to join, or upon joining, the Target Group. No compensation was paid to, or receivable by, the Directors, past Directors or the five highest paid individuals of the Target Group for the Track Record Period for the loss of office in connection with the management of the affairs of any member of the Target Group. None of the Directors of the Target Group waived any emoluments during the same period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please see Note 12 of the Accountants' Report set out in Appendix I to this circular. For the details of the Target Company Options that the Target Company granted to the Directors and senior management of the Target Group, please see the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans".

Save as disclosed above in this section and the sections headed "Financial Information", "Appendix I – Accountant's Report of the Target Group" and "Appendix VII – Statutory and General Information", no other payments have been paid or are payable in respect of the Track Record Period to the Directors by the Target Group.

EMPLOYEE INCENTIVE PLANS

The Target Company adopted the 2016 Share Incentive Plan on November 20, 2016 and the Post-Listing Share Incentive Plan on December 20, 2024. For further details, please see the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans".

CORPORATE GOVERNANCE

The Successor Company has established the following committees in the Successor Board: an Audit Committee, a Remuneration Committee and a Nomination Committee. The committees operate in accordance with terms of reference established by the Successor Board.

Audit Committee

The Successor Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors of the Successor Company, namely, Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel. Dr. Chen Changling is the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Successor Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Successor Group, overseeing the audit process and performing other duties and responsibilities assigned by the Successor Board.

Remuneration Committee

The Successor Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration Committee consists of Dr. Maximilian Ibel, Dr. Li Yimin and Dr. Costas John Spanos. Dr. Maximilian Ibel is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, without limitation, making recommendations to the Successor Board on the Successor Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration, determining the specific remuneration packages of all Directors and senior management and reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Successor Board of Directors from time to time.

Nomination Committee

The Successor Company has established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The Nomination Committee consists of Dr. Bao, Dr. Chen Changling and Dr. Costas John Spanos. Dr. Bao is the chairperson of the Nomination Committee. The primary duties of the nomination committee are to make recommendations to the Successor Board regarding the appointment of Directors and the Successor Board succession.

Corporate Governance Code

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Successor Company will not have separate Chairman of the Successor Board and chief executive officer and Dr. Bao, the Chairman of the Successor Board and chief executive officer of the Successor Company, will perform these two roles upon the completion of the De-SPAC Transaction. The Successor Board believes that, in view of his experience, personal profile and his roles in the Successor Company as mentioned above, Dr. Bao is the Director best suited to identify strategic opportunities and focus of the Successor Board due to his extensive understanding of the business as the chief executive officer of the Successor Company. The Successor Board also believes that the combined role of Chairman of the Successor Board and chief executive officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Successor Board. The Successor Board will continue to review and consider splitting the roles of Chairman of the Successor Board and the chief executive officer at a time when it is appropriate by taking into account the circumstances of the Successor Group as a whole. The Successor Group aims to implement a high standard of corporate governance, which is crucial to safeguard the interests of the Successor Company Shareholders. To accomplish this, the Successor Company expects to comply with the Corporate Governance Code after the completion of the De-SPAC Transaction save for the matter disclosed above.

Board Diversity Policy

The Successor Company will be committed to promote diversity to the extent practicable by taking into consideration a number of factors in respect of its corporate governance structure.

The Successor Company has adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of the Successor Board in order to enhance the effectiveness of the Successor Board. Pursuant to the board diversity policy, the Successor Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience. The Directors of the Successor Company have a balanced mix of knowledge and skills, including knowledge and experience

in the areas of autonomous driving, business development and management, accounting, electrical engineering and computer science. They obtained degrees in various areas including physics, engineering, electronics, accounting, management, and computer science. Furthermore, the Successor Board has a relatively wide range of ages, ranging from 51 years old to 67 years old. The Successor Board includes one female director. The Successor Board of Directors is of the view that the Successor Board satisfies the Board Diversity Policy. There is currently a female Director in the Board. The Successor Company is committed to maintaining at least one female representation in the Board and adopting a similar approach to promote diversity within the management (including but not limited to the senior management) of the Successor Company to enhance the effectiveness of corporate governance of the Successor Company as a whole.

The Nomination Committee is delegated by the Successor Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. After the Listing, the Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and the Successor Company will disclose in its corporate governance report about the implementation of the board diversity policy on an annual basis.

Compliance Adviser

The Successor Company has appointed Rainbow Capital (HK) Limited as its Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide the Successor Company with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise the Successor Company in certain circumstances including: (a) before the publication of any regulatory announcement, circular, or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (c) where the Successor Company proposes to use the proceeds of the De-SPAC Transaction in a manner different from that detailed in this circular or where the business activities, development or results of the Successor Group deviate from any forecast, estimate or other information in this circular; and (d) where the Stock Exchange makes an inquiry to the Successor Company under Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Adviser shall commence upon the completion date of the De-SPAC Transaction and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of the financial results of the Successor Company for the first full financial year commencing after the completion date of the De-SPAC Transaction.

CONFIRMATION FROM THE DIRECTORS OF THE SUCCESSOR COMPANY

Rule 8.10 of the Listing Rules

Each of the Directors of the Successor Company confirms that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with the business of the Successor Company and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of the Directors of the Successor Company confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 16, 2025, and (ii) understands his/her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors of the Successor Company has confirmed that (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Successor Company or its subsidiaries or any connection with any core connected person of the Successor Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

Unless the context otherwise requires, all references in this section to "we," "us" or "our" refer to Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group").

FUTURE PLANS

See "Business of the Target Group – Our Growth Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

After deducting the De-SPAC Transaction expenses and assuming 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares and there is no Permitted Equity Financing, the net proceeds which the Successor Company will receive from the De-SPAC Transaction are estimated to be approximately HK$474.0 million. The percentages of net proceeds to be allocated to different uses will not vary with the redemption rate of TechStar Class A Shares.

The following sets forth the intended use of the net proceeds (assuming 100% of TechStar Class A Shareholders exercise redemption rights with respect to their TechStar Class A Shares):

- approximately 60%, or HK$284.4 million, will be used for research and development of new LiDAR architectures, hardware and software upgrades;

    - approximately 25%, or HK$118.5 million, will be used for upgrading and iterating existing 1,550 nm LiDAR solutions, to further improve the perception capabilities and cost-effectiveness of our solutions. Specially, we intend to maintain the R&D team by hiring professionals with expertise and experiences in relevant technological areas such as algorithms, engineering, and optomechanics, in order to optimize our product design, improve technology infrastructure, raise the quality of our end products, and further expand application scenarios of our LiDAR solutions;

    - approximately 35%, or HK$165.9 million, will be used for developing and further commercializing 905 nm LiDAR solutions to address the market trends and the demand of a broader range of potential customers. Specially, we intend to invest in R&D of our 905 nm LiDAR solutions, including maintaining the R&D team of engineering professionals, and further developing Robin series products and potentially other series to build a broader automotive-grade LiDAR solution portfolio;

- approximately 20%, or HK$94.8 million, will be used for upgrade of existing production lines. We plan to upgrade the automation of existing production lines to support volume production for next-generation LiDAR solution hardware and increasing production orders from OEMs and customers for non-automotive application scenarios globally;

  - o approximately 10%, or HK$47.4 million, will be used for upgrade of existing production lines in Deqing. We plan to enhance the automation level of our production lines for 1,550 nm LiDARs to improve operational and cost efficiency. Specifically, we plan to further improve design in transceivers and APD layout to reduce BOM costs and make it easier to produce for 1,550 nm LiDAR. We thus plan to procure new welding equipment, assembly equipment and relevant materials and our equipment engineers to design new production process for 1,550 nm LiDAR;

  - o approximately 10%, or HK$47.4 million, will be used for upgrade of existing production lines of our 905 nm LiDAR solutions in Pinghu to improve automation rate. Robin W solution has been selected by NIO as ancillary LiDARs, complementing our main LiDAR Falcon to provide comprehensive coverage of the vehicle's surroundings, including blind spot detection. All of the models under NIO's NT 3.0 platform of NIO brand, launched in 2025, come to equip with two our Robin W LiDARs as ancillary LiDARs in addition to one Falcon main LiDAR. NIO intends to gradually switch its technology platform from NT 2.0 to NT 3.0 in future years, which will promote the sales volume of our Robin W solution and enhance the utilization of our existing production lines. Robin W solution will also be used in various application scenarios for mid-range detection, such as unmanned mining, delivery and sweepers. The Robin E1X solution has been selected for adoption by Chinese passenger EV manufacturers, with volume production and delivery commenced in 2025. We expect that orders of our 905 nm LiDAR solutions will increase significantly in the next few years, which will, in turn, further enhance the utilization of our existing production lines, and we plan to enhance the automation level of our production lines for 905 nm LiDARs to improve operational and cost efficiency;

- approximately 10%, or HK$47.4 million, will be used for our global expansion. We intend to enhance our global business development and sales and marketing efforts, including hiring experienced staff for the expansion of localized sales and marketing teams in overseas markets, aiming to strengthen our business relationships with OEMs globally. We believe our expansion plan in the United States and Europe remains feasible notwithstanding the heightened geopolitical tensions, primarily because our products are designed and sold solely for civilian application. Our products serve ADAS, autonomous driving, infrastructure, transportation and robotics applications, all of which are civilian in nature and not subject to heightened national security restrictions. Accordingly, we believe our international

business development will not be materially affected by geopolitical factors. Moreover, demand for LiDAR and perception solutions in the U.S. and European markets continues to be driven by regulatory and commercial factors such as automotive safety standards and industrial automation. These structural demand drivers are largely independent of political developments, and customers in these markets generally evaluate suppliers based on product performance, reliability and service quality. In addition, our global expansion plan adopts an asset-light and localized model, focusing on local hiring and customer engagement while maintaining production and core R&D in existing facilities. Such structure minimizes operational exposure to cross-border restrictions and allows flexibility to adjust the pace of expansion as necessary. Besides China, we have offices in U.S. and Germany. We plan to recruit five sales and marketing staffs outside China, who have at least five years' sales experience in ADAS, AD and relevant area, possessing excellent communication and customer service skills. We plan to recruit 15 application engineers and operation staffs outside China, who have at least three years of relevant work experience in ADAS, AD, infrastructure, smart transportation and robotics; and

- approximately 10%, or HK$47.4 million, will be used for general corporate purposes, which may include working capital needs and potential strategic investments and acquisitions, although we have not identified any specific investments or acquisition opportunities at this time.

The percentages of net proceeds to be allocated as described above will not vary with the redemption rate of TechStar Class A Shares.

To the extent that the net proceeds of the De-SPAC Transaction are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we will hold such unused funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of the Successor Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. Our Directors believe that we have sufficient mechanism in place to ensure proper application of the use of proceeds on inventories. As part of our internal controls relating to management and procurement of inventory, we have in place a monthly procurement plan for the inventories of each product type. Our procurement plan is based on our anticipated sales level. Our finance department also closely monitors the actual procurement of inventories and the payment amount. Subsequent to the Listing, we will prepare a report on the use of proceeds, including the amount for sourcing and procurement of raw materials and inventory, for our reporting accountants and our audit committee semi-annually.

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

The following is the text of a report set out on pages I-1 to I-88, received from the Target Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF SEYOND HOLDINGS LTD. (FORMERLY KNOWN AS INNOVUSION HOLDINGS LTD.) AND ITS SUBSIDIARIES TO THE DIRECTORS OF TECHSTAR ACQUISITION CORPORATION AND ZERO2IPO CAPITAL LIMITED, CITIC SECURITIES (HONG KONG) LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Seyond Holdings Ltd. (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages I-4 to I-88, which comprises the consolidated statements of financial position of the Target Group as at December 31, 2022, 2023 and 2024 and May 31, 2025, the statements of financial position of the Target Company at December 31, 2022, 2023 and 2024 and May 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the three years ended December 31, 2024 and the five months ended May 31, 2025 (the "Relevant Periods") and material accounting policies information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-88 forms an integral part of this report, which has been prepared for inclusion in the circular of TechStar Acquisition Corporation (the "Company") dated November 12, 2025 (the "Circular") in connection with the De-SPAC Transaction (as defined in the Circular).

Responsibilities of the Directors of the Target Company for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Reporting accountants' responsibility (Continued)

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Group's and the Target Company's financial position as at December 31, 2022, 2023 and 2024 and May 31, 2025, and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended May 31, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Target Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 14 to the Historical Financial Information which states that no dividend was declared or paid by the Target Company in respect of the Relevant Periods.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
November 12, 2025

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

The Historical Financial Information is presented in United states dollar ("US$") and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		US$'000	US$'000	US$'000	US$'000 (unaudited)	US$'000
Revenue	5	66,302	121,108	159,575	51,550	51,965
Cost of sales		(107,623)	(163,467)	(173,481)	(65,881)	(45,251)
Gross (loss) profit		(41,321)	(42,359)	(13,906)	(14,331)	6,714
Other income	7	2,005	3,070	2,458	941	2,163
Other gains and losses	8	502	(2,653)	(262)	(11)	(416)
Selling and marketing expenses		(6,887)	(9,204)	(8,213)	(3,948)	(3,750)
Administrative expenses		(15,238)	(18,306)	(21,357)	(10,805)	(7,598)
Research and development ("R&D") expenses	10	(78,120)	(63,789)	(36,958)	(20,882)	(13,674)
Impairment losses under expected credit loss ("ECL") model, net of reversal		(13)	(153)	(1,625)	(1,193)	172
Fair value changes of financial liabilities at fair value through profit or loss ("FVTPL")	30	(43,257)	(80,448)	(312,025)	(21,865)	(1,280)
Professional fees and expenses related to De-SPAC Transaction		–	–	(2,485)	(1,186)	(1,255)
Other expenses		(5,178)	(2,176)	(424)	114	–
Finance costs	9	(319)	(2,080)	(2,657)	(874)	(2,337)
Loss before tax	10	(187,826)	(218,098)	(397,454)	(74,040)	(21,261)
Income tax expense	11	(339)	(872)	(741)	(251)	(233)
Loss for the year/period		(188,165)	(218,970)	(398,195)	(74,291)	(21,494)
Other comprehensive (expense) income						
Item that may be reclassified to profit or loss:						
Exchange differences on translation from functional currency to presentation currency		(3,682)	2,557	(34)	12	214
Total comprehensive expense for the year/period		(191,847)	(216,413)	(398,229)	(74,279)	(21,280)
Loss per share (US$)						
– Basic and diluted	13	(16.49)	(18.78)	(32.12)	(6.03)	(1.72)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At December 31, 2022	At December 31, 2023	At December 31, 2024	At May 31, 2025
		US$'000	*US$'000*	*US$'000*	*US$'000*
NON-CURRENT ASSETS					
Property and equipment	*16*	18,207	23,611	30,899	29,819
Right-of-use assets	*17*	4,985	9,953	7,710	6,545
Intangible assets	*18*	370	2,822	2,428	2,019
Other non-current assets	*21*	648	547	533	540
Restricted bank balances	*24*	–	1,413	8,393	8,411
		24,210	38,346	49,963	47,334
CURRENT ASSETS					
Inventories	*20*	32,147	37,631	20,478	22,139
Trade and other receivables and prepayment	*21*	48,814	54,867	62,089	69,570
Financial asset at FVTPL	*22*	–	–	1,000	–
Receivables at fair value through other comprehensive income ("FVTOCI")	*23*	–	–	–	2,317
Restricted bank balances	*24*	130	130	130	130
Time deposits	*24*	–	16,000	–	–
Cash and cash equivalents	*24*	113,133	107,306	43,010	21,939
		194,224	215,934	126,707	116,095
CURRENT LIABILITIES					
Trade and other payables	*25*	103,024	103,456	77,020	77,060
Borrowings	*26*	22,469	41,009	29,573	30,458
Lease liabilities	*27*	2,163	3,235	2,696	2,930
Warranty liabilities	*31*	623	1,149	2,124	2,506
Other current liabilities	*28*	–	–	13,784	17,073
Contract liabilities		268	140	102	134
		128,547	148,989	125,299	130,161
NET CURRENT ASSETS (LIABILITIES)		65,677	66,945	1,408	(14,066)
TOTAL ASSETS LESS CURRENT LIABILITIES		89,887	105,291	51,371	33,268

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	At December 31, 2022	At December 31, 2023	At December 31, 2024	At May 31, 2025
		US$'000	*US$'000*	*US$'000*	*US$'000*
CAPITAL AND RESERVES					
Share capital	*29*	12	13	13	13
Treasury shares	*29*	(1)	(1)	(1)	(1)
Share premium		9,442	11,624	11,667	11,738
Reserves		(371,108)	(586,259)	(983,702)	(1,004,790)
TOTAL DEFICIT		(361,655)	(574,623)	(972,023)	(993,040)
NON-CURRENT LIABILITIES					
Borrowings	*26*	–	1,695	7,000	8,350
Long term payables	*28*	–	–	27,567	24,823
Lease liabilities	*27*	3,016	6,775	4,729	3,958
Financial liabilities at FVTPL	*30*	447,498	670,111	982,136	987,546
Warranty liabilities	*31*	1,028	1,333	1,962	1,631
		451,542	679,914	1,023,394	1,026,308
		89,887	105,291	51,371	33,268

STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

	Notes	At December 31, 2022	At December 31, 2023	At December 31, 2024	At May 31, 2025
		US$'000	*US$'000*	*US$'000*	*US$'000*
NON-CURRENT ASSETS					
Investments in subsidiaries	*37*	145,037	368,290	392,288	389,189
Amounts due from subsidiaries	*36*	99,000	29,000	29,000	29,000
		244,037	397,290	421,288	418,189
CURRENT ASSETS					
Other receivables	*21*	14	11	135	352
Amounts due from subsidiaries	*36*	32,662	32,745	34,190	34,786
Cash and cash equivalents	*24*	32,643	26,911	215	202
		65,319	59,667	34,540	35,340
CURRENT LIABILITIES					
Other payables	*25*	2,323	2,449	2,599	839
Amounts due to subsidiaries	*36*	504	–	634	–
		2,827	2,449	3,233	839
NET CURRENT ASSETS		62,492	57,218	31,307	34,501
TOTAL ASSETS LESS CURRENT LIABILITIES		306,529	454,508	452,595	452,690
CAPITAL AND RESERVES					
Share capital	*29*	12	13	13	13
Treasury shares	*29*	(1)	(1)	(1)	(1)
Share premium	*37*	9,442	11,624	11,667	11,738
Reserves	*37*	(150,422)	(227,239)	(541,220)	(542,411)
TOTAL DEFICIT		(140,969)	(215,603)	(529,541)	(530,661)
NON-CURRENT LIABILITY					
Financial liabilities at FVTPL	*30*	447,498	670,111	982,136	983,351
		306,529	454,508	452,595	452,690

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Target Company						
	Share capital *US$'000*	**Treasury shares** *US$'000*	**Share premium** *US$'000*	**Translation reserve** *US$'000*	**Share-based payments reserve** *US$'000*	**Accumulated losses** *US$'000*	**Total deficit** *US$'000*
At January 1, 2022	11	–	9,167	70	2,345	(183,494)	(171,901)
Loss for the year	–	–	–	–	–	(188,165)	(188,165)
Other comprehensive expense for the year	–	–	–	(3,682)	–	–	(3,682)
Total comprehensive expense for the year	–	–	–	(3,682)	–	(188,165)	(191,847)
Recognition of equity-settled share-based payment expenses *(note 32)*	–	–	–	–	1,919	–	1,919
Issuance of common stock to Share Incentive Plan Trust *(note 32)*	1	(1)	–	–	–	–	–
Exercise of share options and vesting of early exercised stock options *(note 32)*	–*	–	275	–	(101)	–	174
At December 31, 2022	12	(1)	9,442	(3,612)	4,163	(371,659)	(361,655)
Loss for the year	–	–	–	–	–	(218,970)	(218,970)
Other comprehensive income for the year	–	–	–	2,557	–	–	2,557
Total comprehensive income (expense) for the year	–	–	–	2,557	–	(218,970)	(216,413)
Issuance of common stock of the Target Company *(note 29)*	–*	–	1,987	–	–	–	1,987
Recognition of equity-settled share-based payment expenses *(note 32)*	–	–	–	–	1,313	–	1,313
Exercise of share options and vesting of early exercised stock options *(note 32)*	1	–	195	–	(51)	–	145
At December 31, 2023	13	(1)	11,624	(1,055)	5,425	(590,629)	(574,623)
Loss for the year	–	–	–	–	–	(398,195)	(398,195)
Other comprehensive expense for the year	–	–	–	(34)	–	–	(34)
Total comprehensive expense for the year	–	–	–	(34)	–	(398,195)	(398,229)
Recognition of equity-settled share-based payment expenses *(note 32)*	–	–	–	–	786	–	786
Exercise of common stock warrants *(note 29)*	–*	–	–*	–	–	–	–
Vesting of early exercised stock options *(note 32)*	–	–	43	–	–	–	43
At December 31, 2024	13	(1)	11,667	(1,089)	6,211	(988,824)	(972,023)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the Target Company						
	Share capital *US$'000*	**Treasury shares** *US$'000*	**Share premium** *US$'000*	**Translation reserve** *US$'000*	**Share-based payments reserve** *US$'000*	**Accumulated losses** *US$'000*	**Total deficit** *US$'000*
Loss for the period	–	–	–	–	–	(21,494)	(21,494)
Other comprehensive income for the period	–	–	–	214	–	–	214
Total comprehensive income (expense) for the period	–	–	–	214	–	(21,494)	(21,280)
Recognition of equity-settled share-based payment expenses *(note 32)*	–	–	–	–	253	–	253
Exercise of share options and vesting of early exercised stock options *(note 32)*	–*	–	71	–	(61)	–	10
At May 31, 2025	13	(1)	11,738	(875)	6,403	(1,010,318)	(993,040)
At December 31, 2023	13	(1)	11,624	(1,055)	5,425	(590,629)	(574,623)
Loss for the period	–	–	–	–	–	(74,291)	(74,291)
Other comprehensive income for the period	–	–	–	12	–	–	12
Total comprehensive income (expense) for the period	–	–	–	12	–	(74,291)	(74,279)
Recognition of equity-settled share-based payment expenses *(note 32)*	–	–	–	–	469	–	469
Exercise of common stock warrants *(note 29)*	–*	–	–*	–	–	–	–
Vesting of early exercised stock options *(note 32)*	–	–	19	–	–	–	19
At May 31, 2024 (unaudited)	13	(1)	11,643	(1,043)	5,894	(664,920)	(648,414)

* Amount less than US$1,000.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
OPERATING ACTIVITIES					
Loss for the year/period	(188,165)	(218,970)	(398,195)	(74,291)	(21,494)
Adjustments for:					
Depreciation of property and equipment	2,544	4,740	5,572	2,196	2,755
Depreciation of right-of-use assets	1,857	2,283	2,779	1,163	1,237
Amortization of intangible assets	181	488	1,298	519	546
Net loss on disposal of property and equipment	417	235	647	319	9
Net loss on disposal of intangible assets	–	9	–	–	–
Net loss on early termination of right-of-use assets	3	–	67	36	3
Net impairment losses under ECL model	13	153	1,625	1,193	(172)
Interest income	(1,509)	(1,990)	(1,191)	(720)	(210)
Write-down of inventories	434	6,120	4,516	3,575	1,599
Warranty provision	1,556	2,037	2,681	1,915	770
Finance costs	319	2,080	2,657	874	2,337
Share-based payment expenses	1,919	1,313	786	469	253
Fair value changes of financial liabilities at FVTPL	43,257	80,448	312,025	21,865	1,280
Transaction costs directly attributable to the issuance of redeemable convertible preferred shares	1,366	1,151	–	–	–
(Gain) loss from changes in fair value of FVTPL	–	–	(119)	–	2
Net foreign exchange (gain) loss	(540)	2,270	(191)	(229)	399
Operating cash flows before movements in working capital	(136,348)	(117,633)	(65,043)	(41,116)	(10,686)
Increase in restricted bank balances	(100)	–	–	–	–
Increase in trade and other receivables and prepayment	(39,720)	(7,725)	(10,223)	(4,636)	(6,432)
Increase in receivables at FVTOCI	–	–	–	(5,661)	(2,317)
(Increase) decrease in inventories	(25,954)	(12,422)	11,499	10,989	(2,990)
(Increase) decrease in other non-current assets	(235)	101	(192)	(220)	(7)
Increase (decrease) in trade and other payables	92,888	4,443	17,899	(8,021)	(1,443)
Increase (decrease) in contract liabilities	157	(128)	(38)	(35)	34
Decrease in warranty liabilities	(15)	(1,206)	(1,077)	(494)	(719)
Decrease in other non-current liabilities	(53)	–	–	–	–
Cash used in operations	(109,380)	(134,570)	(47,175)	(49,194)	(24,560)
Interest received	1,262	2,267	1,228	420	210
Income tax paid	(77)	(820)	(509)	(497)	–
NET CASH USED IN OPERATING ACTIVITIES	(108,195)	(133,123)	(46,456)	(49,271)	(24,350)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
INVESTING ACTIVITIES					
Purchase of property and equipment	(14,101)	(11,074)	(14,357)	(6,866)	(2,328)
Purchase of intangible assets	(271)	(2,958)	(984)	(627)	(107)
Received government grants related to assets	–	–	–	–	358
Placement of time deposits	–	(16,000)	–	–	–
Placement of restricted bank deposits for land and facility production use	–	(1,413)	–	–	–
Withdrawal of time deposits	–	–	16,000	–	–
Purchase of financial assets at FVTPL	–	–	(6,000)	–	–
Withdrawal of financial assets at FVTPL	–	–	5,119	–	998
Placement of restricted bank deposits for loan facility	–	–	(7,000)	–	–
NET CASH USED IN INVESTING ACTIVITIES	(14,372)	(31,445)	(7,222)	(7,493)	(1,079)
FINANCING ACTIVITIES					
Repayment of borrowings	(725)	(21,575)	(60,319)	(22,882)	(15,955)
New borrowings raised	22,469	42,382	55,479	20,409	17,799
Repayments of lease liabilities	(1,869)	(2,421)	(3,190)	(1,271)	(605)
Interest paid	(319)	(2,080)	(1,908)	(874)	(1,121)
Proceeds from exercise of stock options	92	61	–	–	–
Payment of accrued issue costs	–	–	(24)	–	(112)
Proceeds from the issuance of common share	–	1,988	–	–	–
Proceeds from the issuance of redeemable convertible preferred shares	121,268	142,165	–	–	–
Proceeds from issuance of redeemable preferred equity financing	–	–	–	–	4,130
Transaction costs directly attributed to the issuance of redeemable convertible preferred shares paid	(1,112)	(1,405)	–	–	–
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	139,804	159,115	(9,962)	(4,618)	4,136
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,237	(5,453)	(63,640)	(61,382)	(21,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	97,764	113,133	107,306	107,306	43,010
Effect of foreign exchange rate changes	(1,868)	(374)	(656)	161	222
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	113,133	107,306	43,010	46,085	21,939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Seyond Holdings Ltd. (the "Target Company", previously known as "Innovusion Holdings Ltd.") was incorporated in the Cayman Islands on November 4, 2016 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Target Company's registered office is the offices of 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The respective address of the registered office and the principal place of business of the Target Company are set out in the section headed "Corporate Information of the Successor Company" to the circular of TechStar Acquisition Corporation (the "Company") dated November 12, 2025 (the "Circular").

The Target Company is an investment holding company. The Target Company and its subsidiaries (together, the "Target Group") are engaged in developing and manufacturing of high-performance LiDAR (Light Detection and Ranging) solutions. The Target Group's products can be widely applied in smart transportation, smart highway, rail as well as smart mining, etc.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB").

These financial statements are presented in United states dollar ("US$"), which is also the function currency of the Target Company.

The Target Group has experienced recurring losses from operations and negative cash flows from operations. The Target Group has incurred net losses of US$188,165,000, US$218,970,000, US$398,195,000 and US$21,494,000 for the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2025, respectively. Net cash used in operating activities were US$108,195,000, US$133,123,000, US$46,456,000 and US$24,350,000 for the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2025, respectively. On May 31, 2025, the Target Group had an accumulated losses of approximately US$1,010,318,000. On May 31, 2025, the Target Group maintained cash and cash equivalents amounted to US$21,939,000 and net current liabilities of US$14,066,000, while it had interest-bearing borrowings of US$30,458,000 which were repayable within one year from the end of the reporting period.

As at May 31, 2025, the Target Group was in net liabilities position of US$993,040,000, of which US$987,546,000 was the balance of financial liabilities at FVTPL. As the redemption features of redeemable convertible preferred shares recorded as financial liabilities at FVTPL would not be met before December 31, 2026 as more fully disclosed in note 30, accordingly, the directors of the Target Company believe there would be no material cash flow impact of these financial liabilities at FVTPL.

Since January 1, 2025, the directors of the Target Company have been actively negotiating with various banks and financial institutions to secure new financing sources. Up to the date of issue the accountants' report, the Target Group has obtained new short-term banking facilities of RMB333,000,000 (equivalent to US$46,222,000) from various banks and a new banking facilities of RMB200,000,000 (equivalent to US$27,761,000) with a term of two years. Additionally, the Target Group has obtained new loan facilities of US$65,000,000 from financial institutions of which US$15,000,000 has a term of twelve months and US$50,000,000 has a term of two years. Further, the Target Group has extended the payment schedule from 2025 to 2026 for the amount due to NIO resulting from the cooperative research and development agreement.

The directors of the Target Company also have been implementing a balanced growth strategy and an effective financial management to optimize cost structure and improve operating efficiency, by increasing secondary suppliers for lower procurement price and reducing various discretional expenditures, including spending on labor costs and other operating expenses. The Target Group will continue to actively adjust the sales activities to better respond to market needs and strive to achieve the latest budgeted sales volumes and amounts. The Target Group will also maintain continuous communication with key contractors and suppliers for payment arrangements. If the Target Group does not achieve revenue anticipated in its current operating plan or renewal existing credit facility, management has the ability and commitment to reduce and/or postpone production and capital expenditures as necessary.

The directors of the Target Company have reviewed the Target Group's cash flow projections prepared by the management of the Target Company, which cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above plans and measures, the Target Group will have sufficient working capital to fund its operations and to meet its financial obligations as and when they fall due within twelve months from the end of the reporting period. Accordingly, the directors of the Target Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION (CONTINUED)

Notwithstanding the above, the Target Group's long-term success depends on its ability to successfully keep sufficient facilities from various banks and financial institutions, implement the plans to optimize cost structure and improve operating efficiency, and maintain key customers and adjust the sales activities to better respond to market needs.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Statements for the Relevant Periods, the Target Group has consistently applied the accounting policies which conform with International Accounting Standards ("IASs"), IFRS Accounting Standards, amendments to IFRS Accounting Standards and the related Interpretations ("IFRICs") issued by IASB, which are effective for the Target Group's financial year beginning on January 1, 2025 throughout the Relevant Periods.

New and Amendments to IFRS Accounting Standards in issue but not yet effective

The Target Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the classification and Measurement of Financial instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after January 1, 2026

3 Effective for annual periods beginning on or after January 1, 2027

The application of IFRS 18 has no impact on the Target Group's financial positions and performance, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income. Except for the IFRS 18, the directors of the Target Company anticipate that the application of all these new and amendments to IFRS Accounting Standards will have no material impact on the Target Group's consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Relevant Periods are included in the consolidated statements of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Target Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

Revenue from contracts with customers

Information about the Target Group's accounting policies relating to contracts with customers is provided in note 5.

Leases

The Target Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Target Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Target Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Target Group as a lessee (Continued)

Allocation of consideration to components of a contract (Continued)

The Target Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term lease and leases of low-value assets

The Target Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as small items of office furniture). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Target Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Target Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Target Group as a lessee (Continued)

Lease liabilities (Continued)

The Target Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Target Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Target Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Target Group's operations are translated into the presentation currency of the Target Group (i.e. US$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Target Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Target Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Target Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Target Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Target Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Target Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Target Group recognises the right-of-use assets and the related lease liabilities, the Target Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Target Group applies IAS 12 requirements to the lease liabilities and the right of use assets separately. The Target Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Target Group's accounting policy. Depreciation of these assets, on the same basis as other property and equipment assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property and equipment (Continued)

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Target Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Target Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated on a pro-rata basis based on the carrying amount of each asset in the unit of the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Bank balances for which use by the Target Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Target Group must incur to make the sale.

Provisions

Provisions are recognised when the Target Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Target Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of LiDARs are recognised at the date of sale of the relevant products, at the directors of the Target Company's best estimate of the expenditure required to settle the Target Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial assets and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Target Group performs impairment assessment under ECL model on financial assets (including trade and other receivables and prepayment, restricted bank balances, time deposits and cash and cash equivalents) which are subjected to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Target Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed on an individual basis for customers with significant balances and credit-impaired and the remaining is collectively using provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

For all other instruments, the Target Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Target Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Target Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Target Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Definition of default

The Target Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group).

Irrespective of the above, the Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Target Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Target Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and the cash flows that the Target Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Target Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management of the Target Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amounts of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 8) as part of the net foreign exchange gains/(losses).

Derecognition of financial assets

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities or equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities or equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Target Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Target Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, other current liabilities, long term payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

For financial liabilities that are designated at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes and preferred shares, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Redeemable convertible preferred shares

The Target Group's issued redeemable convertible preferred shares are initially recognised at fair value. The Target Group does not account for the embedded derivatives separately from the host contract and designates the entire redeemable convertible preferred shares as financial liabilities at FVTPL with fair value change recognised in "fair value changes of financial liabilities at FVTPL" in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 8) as part of net foreign exchange gain/(loss) for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Group's accounting policies, which are described in note 3, the management of the Target Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Target Company have made in the process of applying the Target Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Capitalization of research and development expenditure

Development expenditure incurred on research activities are capitalized and deferred only when the Target Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, the Target Group's intention to complete and the Target Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the research and development projects and the ability to measure reliably the expenditure during the development. Development expenditure which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria are met for capitalization.

Consideration payable to a customer

Consideration payable to a customer includes cash amounts that the Target Group expects to pay to the customer. The Target Group shall account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Target Group. If consideration payable to a customer is a payment for a distinct good or service from the customer, then the Target Group shall account for the purchase of the good or service in the same way that it accounts for other purchases from suppliers. If the amount of consideration payable to the customer exceeds the fair value of the distinct good or service that the Target Group receives from the customer, then the Target Group shall account for such an excess as a reduction of the transaction price. If the Target Group cannot reasonably estimate the fair value of the good or service received from the customer, it shall account for all of the consideration payable to the customer as a reduction of the transaction price.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Fair value measurement of redeemable convertible preferred shares

At December 31, 2022, 2023 and 2024 and May 31, 2025, certain of the Target Group's financial liabilities, redeemable convertible preferred shares amounting to US$447,498,000, US$670,111,000, US$982,136,000 and US$983,351,000, respectively, are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Target Group considers these valuations are the best estimates, the inflationary environment and interest rates hike have resulted in greater market volatility and may affect the issuer' businesses, which have led to higher degree of uncertainties in respect of the valuations during relevant period. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 35 for further disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

Details on how ECL were measured should be consistent to the internal credit risk management of the Target Group in note 35.

In addition, the Target Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Target Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Group's trade receivables are disclosed in note 35.

Estimation of provision for warranty claims

Provision for product warranties granted by the Target Group in respect of certain products are recognized based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect the Target Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

The Target Company typically provides a three years warranty on its products. Estimated future warranty costs are accrued and charged to cost of sales in the period that the related revenue is recognized. These estimates are based on historical warranty experience and any known or expected changes in warranty exposure, such as trends of product reliability and costs of repairing and replacing defective products. The Target Company periodically assesses the accuracy of its recorded warranty liabilities and adjusts the amounts as necessary.

The portion of the warranty reserve expected to be incurred within the next 12 months is included within warranty liabilities, while the remaining balance is included within non-current warranty liabilities on the consolidated balance sheets. Warranty expenses is recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income.

The information about the provision for warranty claims and the Target Group's warranty liabilities are disclosed in note 31.

Estimated impairment of property and equipment and intangible asset

Property and equipment and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Target Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Details of the impairment of property and equipment and intangible assets are disclosed in note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE

(i) Disaggregation of revenue

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Types of goods or services					
Sales of LiDAR sensors, recognized at a point in time					
Falcon series	65,038	118,736	153,687	50,938	48,089
Robin series	–	115	5,040	346	3,486
Jaguar series	821	783	–	–	–
Others	53	590	544	97	232
	65,912	120,224	159,271	51,381	51,807
Engineering service, recognised over time	390	884	304	169	158
	66,302	121,108	159,575	51,550	51,965

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of LiDAR sensors

The Target Group sells LiDAR sensors to direct customers. Revenue from LiDAR sensors is recognised when control of the goods has been transferred, generally occurring upon shipment, delivery or customer acceptance according to the terms of the underlying contract. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities and are included in revenue. The transaction price received by the Target Group is recognised as a contract liability until when revenue is recognised.

The customers have a right to return products if the products do not meet the contract's specifications. The Target Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Product returns were not material during the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur.

The Target Group generally grant a 3-year assurance type warranty in relation to its sales of LiDAR sensors to customers. The sales-related warranties associated with LiDAR sensors cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Target Group accounts for warranties in accordance with IAS 37 and disclosed in note 31.

Engineering service

The Target Company occasionally provides engineering services to customers to develop features that are not currently in the Target Company's internal product roadmap but requested by the customer. Revenue is usually recognised based on the stage of completion of the contract given that the Target Group has an enforceable right to payment for performance completed to date.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Target Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Target Group's contract has an original expected duration of less than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the Target Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Target Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Target Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

The Target Group's revenue from external customers is presented based on the locations of the end customers which are detailed below:

	Year ended December 31,			Five months ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Revenue from external customers					
People's Republic of China ("PRC")	65,424	117,491	155,646	50,523	50,026
Others	878	3,617	3,929	1,027	1,939
	66,302	121,108	159,575	51,550	51,965

The Target Group's non-current assets is presented based on the geographic locations of the Target Company's subsidiaries which are detailed below:

	At December 31,			At May 31,
	2022	**2023**	**2024**	**2025**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Non-current assets				
PRC	21,994	33,470	39,016	36,512
United States of America ("USA") and Germany	1,568	2,916	2,021	1,871
	23,562	36,386	41,037	38,383

Note: Non-current assets excluded financial instruments.

Information about major customers

Revenue from a customer of the corresponding years contributing over 10% of the total revenue of the Target Group are as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Customer A	58,828	109,780	146,110	47,267	44,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. OTHER INCOME

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Interest income	1,509	1,990	1,191	720	210
Government grants *(Note)*	496	1,080	1,267	221	1,953
	2,005	3,070	2,458	941	2,163

Note: The government grants were mainly unconditional incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Target Group's support and contribution for the development of local economies.

8. OTHER GAINS AND LOSSES

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Net foreign exchange (gain) loss	(540)	2,270	(191)	(229)	399
(Gain) loss from changes in fair value of FVTPL	–	–	(119)	–	2
Loss related to early termination of leases	3	–	635	251	–
Others	35	383	(63)	(11)	15
	(502)	2,653	262	11	416

9. FINANCE COSTS

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Interest expenses on borrowings	96	1,856	1,562	716	997
Interest expenses on long term payables	–	–	749	–	1,216
Interest expenses on lease liabilities	223	224	346	158	124
	319	2,080	2,657	874	2,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Depreciation of property and equipment	2,544	4,740	5,572	2,196	2,755
Depreciation of right-of-use assets	1,857	2,283	2,779	1,163	1,237
Amortisation of intangible assets	181	488	1,298	519	546
	4,582	7,511	9,649	3,878	4,538
Capitalised in inventories	(92)	(658)	(507)	(493)	(534)
	4,490	6,853	9,142	3,385	4,004
Auditor's remuneration	6	8	10	2	3
Cost of inventories recognised as cost of sales	105,437	154,814	166,108	60,282	42,830
Warranty provision (included in cost of sales)	1,556	2,037	2,681	1,915	770
Write-down of inventories (included in cost of sales)	434	6,120	4,516	3,575	1,599
Staff costs, including directors' remuneration					
Salaries and other benefits	29,368	43,213	35,722	15,858	14,723
Retirement benefit scheme contributions	4,958	8,260	7,660	4,030	2,735
Discretionary performance related bonus	3,086	4,487	3,989	2,181	1,087
Share-based payment expenses *(note 32)*	1,919	1,313	786	469	253
Severance fee	–	83	3,061	2,744	221
	39,331	57,356	51,218	25,282	19,019
Capitalised in inventories	(25)	(106)	(172)	(170)	(168)
	39,306	57,250	51,046	25,112	18,851
Research and development expenses					
Staff costs	25,681	38,589	29,732	14,361	10,037
Depreciation and amortisation	756	1,455	1,472	571	697
Materials consumed	8,588	8,610	6,849	2,916	2,266
Cooperative R&D fees	35,781	5,935	–	–	–
Consultancy fee	2,503	4,247	4,245	1,895	620
Compensation for R&D expense *(Note)*	–	–	(7,727)	–	(867)
Others	4,811	4,953	2,387	1,139	921
	78,120	63,789	36,958	20,882	13,674

Note: The compensation amount of US$7,727,000 for the year ended December 31, 2024 as well as US$867,000 for the five months ended May 31, 2025 pertained to compensation from NIO for R&D expenses already incurred by the Target Group related to R&D work on certain product in accordance with an agreement entered into between the Target Group and NIO in December 2024. As at March 11, 2025, NIO confirmed the acceptance of side LiDAR therefore the Target Group recognized the remaining compensation of US$867,000 considering the increased probability of collectability of other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Current Tax					
United States	1	1	1	–	–
Mainland China	429	871	740	251	233
	430	872	741	251	233
Over provision in prior years:					
Mainland China	(91)	–	–	–	–
	339	872	741	251	233
Deferred tax expense	–	–	–	–	–
	339	872	741	251	233

No provision of Hong Kong Profits Tax was made in the Historical Financial Information as the Target Group had no assessable profit subject to Hong Kong Profits Tax during the Relevant Periods.

In 2023, the Target Company received interest income from Tudatong (Suzhou) Co., Ltd.* (圖達通智能科技(蘇州)有限公司) which was subject to a withholding tax of 10%.

The subsidiaries in China are companies incorporated under PRC law and, as such, are subjected to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or PRC EIT Law, which became effective on January 1, 2008, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies.

Tudatong Suzhou has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Suzhou City and relevant authorities on November 6, 2023 and has been registered with the local tax authorities for enjoying the reduced 15% Enterprise Income Tax ("EIT") rate from 2023 to 2025.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("Super Deduction"). Starting from October 1, 2022, the additional deduction ratio increased to 100%.

Certain subsidiaries of the Target Company in the PRC are qualified as "Small Low-Profit Enterprise". The entitled subsidiaries are subjected to a preferential income tax rate as 20% during the Relevant Periods.

The Target Company's subsidiary in the United States is subjected to 21% federal tax rate. The operations in the United States could be also subject to state and local taxes.

The Target Company's subsidiaries in United States that sell goods and/or provide certain services to the Target Company's subsidiaries in the PRC would be subject to a withholding tax of 10%.

* English name is for identification purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE (CONTINUED)

Income tax expense for the year/period can be reconciled to loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Loss before tax	(187,826)	(218,098)	(397,454)	(74,040)	(21,261)
Tax at PRC statutory rate of 25%	(46,957)	(54,525)	(99,364)	(18,510)	(5,315)
Tax effect of income not taxable for tax purpose	(827)	(1,138)	(467)	(150)	(155)
Tax effect of expenses not deductible for tax purpose	12,929	21,007	79,526	6,033	823
Tax effect of deductible temporary differences and tax losses not recognised	47,775	37,440	23,182	13,826	5,869
Tax effect attributable to the additional qualified tax deduction relating to research and development costs	(12,783)	(2,783)	(2,877)	(1,199)	(1,215)
Tax effect of concessionary rates	4	–	–	–	–
Tax effect of utilisation of tax losses not previously recognised	(37)	–	–	–	(7)
Withholding Tax	326	871	741	251	233
Over provision in prior years	(91)	–	–	–	–
Income tax expense	339	872	741	251	233

At December 31, 2022, 2023 and 2024 and May 31, 2025, the Target Group has unrecognised tax losses of US$229,817,000, US$368,249,000, US$462,176,000 and US$488,348,000, respectively. At December 31, 2022, 2023 and 2024 and May 31, 2025, the Target Group recognised the deferred tax assets related to lease liabilities of US$1,268,000, US$2,409,000, US$1,510,000 and US$1,440,000, respectively, and deferred tax liabilities related to right-of-use assets US$1,224,000, US$2,399,000, US$1,574,000 and US$1,350,000, on a gross basis, which have been offset for the purpose of presentation in consolidated statement of financial position. No deferred tax assets have been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams.

The unrecognised tax losses will be carried forward and expire in years as follows:

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
2025	1,873	1,873	1,873	1,873
2026	24,681	24,681	24,608	24,608
2027	104,866	106,582	106,325	106,325
2028	580	132,020	132,829	132,829
After 2029	35,733	32,923	123,446	142,940
Indefinite	62,084	70,170	73,095	79,773
	229,817	368,249	462,176	488,348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors' and the chief executive's emoluments

During the Relevant Periods, directors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance based bonus[i]	Share-based payment expenses	Total
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Year ended December 31, 2022							
Executive director							
Mr. Bao (Mr. Junwei Bao)[ii]	November 4, 2016	–	450	11	34	919	1,414
Non-executive directors							
Mr. Yue (Mr. Bin Yue)	March 19, 2021	–	–	–	–	–	–
Mr. Lin (Mr. Lei Lin)[iii]	November 22, 2016	–	–	–	–	–	–
Mr. Zhu (Mr. Yan Zhu)	August 21, 2018	–	–	–	–	–	–
Mr. Wu (Mr. Gongyan Wu)[iv]	April 9, 2021	–	–	–	–	–	–
		–	450	11	34	919	1,414

	Date of appointment	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance based bonus[i]	Share-based payment expenses	Total
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Year ended December 31, 2023							
Executive directors							
Mr. Bao (Mr. Junwei Bao)	November 4, 2016	–	450	20	–	451	921
Mr. Li (Mr. Yimin Li)	April 14, 2023	–	350	20	26	52	448
Non-executive directors							
Mr. Yue (Mr. Bin Yue)[v]	March 19, 2021	–	–	–	–	–	–
Mr. Zhu (Mr. Yan Zhu)	August 21, 2018	–	–	–	–	–	–
		–	800	40	26	503	1,369

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(A) Directors' and the chief executive's emoluments (Continued)

	Date of appointment	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance based bonus[i]	Share-based payment expenses	Total
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Year ended December 31, 2024							
Executive directors							
Mr. Bao (Mr. Junwei Bao)	November 4, 2016	–	270	9	–	228	507
Mr. Li (Mr. Yimin Li)	April 14, 2023	–	257	9	26	26	318
Non-executive directors							
Mr. Zhu (Mr. Yan Zhu)[vi]	August 21, 2018	–	–	–	–	–	–
Mr. Shen (Mr. Xiao Shen)[vii]	July 4, 2024	–	–	–	–	–	–
		–	527	18	26	254	825

	Date of appointment	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance based bonus[i]	Share-based payment expenses	Total
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Five months ended May 31, 2024 (unaudited)							
Executive directors							
Mr. Bao (Mr. Junwei Bao)	November 4, 2016	–	165	9	–	156	330
Mr. Li (Mr. Yimin Li)	April 14, 2023	–	134	8	26	18	186
Non-executive directors							
Mr. Zhu (Mr. Yan Zhu)[vi]	August 21, 2018	–	–	–	–	–	–
Mr. Shen (Mr. Xiao Shen)[vii]	July 4, 2024	–	–	–	–	–	–
		–	299	17	26	174	516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(A) Directors' and the chief executive's emoluments (Continued)

	Date of appointment	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance based bonus[i]	Share-based payment expenses	Total
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Five months ended May 31, 2025							
Executive directors							
Mr. Bao (Mr. Junwei Bao)	November 4, 2016	–	188	–	–	198	386
Mr. Li (Mr. Yimin Li)	April 14, 2023	–	146	–	–	23	169
		–	334	–	–	221	555

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Target Company and the Target Group during the Relevant Periods.

The non-executive directors' emoluments shown above were for their services as directors of the Target Company during the Relevant Periods.

During the Relevant Periods, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Target Group to any of the directors of the Target Company as an inducement to join or upon joining the Target Group or as compensation for loss of office.

Notes:

(i) Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Target Group and the Target Group's performance.

(ii) Mr. Bao is the chief executive of the Target Group during the Relevant Periods.

(iii) Mr. Lin ceased to be the director of the Target Group on May 20, 2022.

(iv) Mr. Wu ceased to be the director of the Target Group on May 20, 2022.

(v) Mr. Yue ceased to be the director of the Target Group on March 14, 2023.

(vi) Mr. Zhu ceased to be the director of the Target Group on December 20, 2024.

(vii) Mr. Shen ceased to be the director of the Target Group on December 21, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(B) Five highest paid employees

The five highest paid employees of the Target Group include 1, 2, 2, 2 and 2 directors of the Target Company for each of the three years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 (unaudited) and 2025, respectively, whose emoluments are set out above for the Relevant Periods. The emoluments of the remaining 4, 3, 3, 3 and 3 employees for each of the three years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 (unaudited) and 2025, respectively, are as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Salaries and other benefits	1,380	856	672	363	369
Retirement benefit scheme contributions	36	41	21	20	–
Discretionary performance-based bonus	390	1,066	174	77	–
Share-based payment expenses	385	(70)	214	63	93
	2,191	1,893	1,081	523	462

The number of these employees (excluding the directors) are within the following bands presented in Hong Kong Dollar ("HK$"):

	Year ended December 31,			Five months ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
				(unaudited)	
HK$0 to HK$1,000,000	–	–	–	–	1
HK$1,000,001 to HK$1,500,000	–	–	–	2	1
HK$1,500,001 to HK$2,000,000	–	–	–	1	1
HK$2,500,001 to HK$3,000,000	–	–	2	–	–
HK$3,000,001 to HK$3,500,000	1	1	1	–	–
HK$3,500,001 to HK$4,000,000	1	–	–	–	–
HK$4,000,001 to HK$4,500,000	1	1	–	–	–
HK$5,500,001 to HK$6,000,000	1	–	–	–	–
HK$7,000,001 to HK$7,500,000	–	1	–	–	–
	4	3	3	3	3

During the Relevant Periods, no emoluments were paid by the Target Group to the five highest paid individuals as an inducement to join or upon joining the Target Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Target Company is based on the following data:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
Loss (US$'000):					
Loss for the year/period attributable to owners of the Target Company	188,165	218,970	398,195	74,291	21,494
Number of shares ('000):					
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	11,410	11,657	12,397	12,313	12,492

For the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share excluded the treasury shares of the Target Company.

The early exercise of share options has potential shares of 145,958, 45,000, 26,527, 36,377 and 3,260 as of December 31, 2022, 2023 and 2024 and May 31, 2024 (unaudited) and 2025, respectively. The conversion of the Target Company's outstanding redeemable convertible preferred shares has potential shares of 41,654,956, 47,878,099, 47,878,099, 47,878,099 and 47,878,099 as of December 31, 2022, 2023 and 2024 and May 31, 2024 (unaudited) and 2025, respectively. The Target Company's outstanding common stock warrants has potential shares of 464,759, 464,759, nil, nil and nil as of December 31, 2022, 2023 and 2024 and May 31, 2024 (unaudited) and 2025, respectively. As the Target Group incurred losses for the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025 is the same as basic loss per share.

14. DIVIDENDS

No dividend was paid or declared by the Target Company during the Relevant Periods.

15. SIGNIFICANT TRANSACTIONS ENTERED DURING THE RELEVANT PERIODS

Cooperative Research & Development Agreement

On October 15, 2022, the Target Company entered into a Cooperative Research and Development Agreement ("Agreement") with NIO, one of the major customers of the Target Company, to develop ASIC chip used in LiDAR sensor. According to the Agreement, both parties jointly share the intellectual property derived from the development ("restricted intellectual property"). However, the Target Company has the right to independently use, modify or upgrade the restricted intellectual property or cooperate with other third parties, while NIO's use of the restricted intellectual property is only limited to the development of laser radar ASIC chip in cooperation with the Target Company, and it is not allowed to further develop the restricted intellectual property by itself or in cooperation with other third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SIGNIFICANT TRANSACTIONS ENTERED DURING THE RELEVANT PERIODS (CONTINUED)

Cooperative Research & Development Agreement (Continued)

After the completion of the development of ASIC chips, NIO will provide the Target Company with an exclusive right to procure ASIC chips at a preferential price globally. Without the Target Company's written consent, NIO shall not provide these ASIC chips to any third party. The Target Company should prioritise the use of these ASIC chips in its productions of LiDAR sensors for NIO if these ASIC chips are with the same specifications of other. Both parties agree that the ASIC chips purchased from NIO at preferential price should be prioritised in assembly of LiDAR sensors sold to NIO. The Target Company can sell LiDAR sensors assembled with ASIC chips to other third parties with prior written notice to NIO, and the purchase price for those ASIC chips should be otherwise agreed. The total contract amount related to the development of ASIC chip is US$43,172,000.

Since NIO has incurred most of the cost for the chip development at the early stage of the research and development activities, including Intellectual Property ("IP") cost, Electronic Design Automation ("EDA") hardware and software, etc., both parties agreed that regardless of any early termination of this Agreement for any reason, the Target Company agrees to compensate NIO for various R&D costs invested by NIO for US$38,314,000 (excluding tax), which should be paid before December 31, 2023. If NIO has made the first tape-out for the project, the Company shall pay NIO another US$4,858,000 (excluding tax) before December 31, 2023. In July 2024, the Target Group entered into a supplementary agreement with NIO for the payment schedule of the Agreement, and the details are disclosed in note 28. The Target Company concluded that the chip development services provided by NIO is distinct from the LiDAR products delivered to NIO as the Target Company can benefit from the chip development services either on its own or together with other resources that are readily available to the Target Company and NIO's promise to transfer the services to the Target Company is separately identifiable from the Target Company's promises in the revenue contracts with NIO. In addition, the Target Company performed reasonable estimation of the fair value of the chip development service to be received from NIO and concluded it is at fair value. Based on the above considerations, the Target Company concluded it is appropriate to account for the purchase of the service in the same way that it accounted for other purchases from other suppliers and recognized all the expenditure under this Agreement as research and development expenses when incurred. For the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, an amount of US$35,781,000, US$5,935,000, nil, nil and nil was accrued as research and development expenses for this Agreement, respectively, and no development expenses was capitalised as intangible assets.

Framework Purchase Agreement

The Target Company has entered into the framework purchase agreement with NIO in January 2022. The framework purchase agreement does not impose concrete binding purchase or sales obligations on either party. Rather, the framework purchase agreement between NIO and the Target Company, sets forth the parties' intent to cooperate in installing the Target Company's products in NIO's car models, without committing either party to a minimum purchase or delivery obligations; and the framework purchase agreement sets forth fixed price and quality standards of products NIO intended to purchase without any specific purchase amount or delivery schedule. The framework purchase agreement would be amended regularly or irregularly to adjust the price. The Target Company does not have obligations until receipt of purchase order from NIO. At December 31, 2022, 2023 and 2024 and May 31, 2025, there is no outstanding purchase orders received from NIO.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. PROPERTY AND EQUIPMENT

The Target Group

	Machinery and production equipment *US$'000*	Leasehold improvement *US$'000*	Fixtures and office equipment *US$'000*	Construction in progress *US$'000*	Total *US$'000*
COST					
At January 1, 2022	1,076	597	1,919	3,687	7,279
Additions	6,295	1,703	974	7,162	16,134
Transfers from construction in progress	7,762	117	11	(7,890)	–
Disposals	(805)	–	(672)	–	(1,477)
Exchange adjustment	(43)	(340)	(37)	(295)	(715)
At December 31, 2022	14,285	2,077	2,195	2,664	21,221
Additions	1,178	9	673	8,983	10,843
Transfers from construction in progress	3,576	3,329	367	(7,272)	–
Disposals	(366)	–	(35)	–	(401)
Exchange adjustment	(357)	(48)	(43)	(69)	(517)
At December 31, 2023	18,316	5,367	3,157	4,306	31,146
Additions	29	6	55	14,122	14,212
Transfers from construction in progress	8,793	5,736	290	(14,819)	–
Disposals	(131)	(1,181)	(482)	–	(1,794)
Exchange adjustment	(543)	(156)	(80)	(129)	(908)
At December 31, 2024	26,464	9,772	2,940	3,480	42,656
Additions	9	–	149	1,485	1,643
Transfers from construction in progress	472	36	27	(535)	–
Disposals	(15)	–	(22)	–	(37)
Deduction due to government subsidy	–	(358)	–	–	(358)
Exchange adjustment	343	129	36	46	554
At May 31, 2025	27,273	9,579	3,130	4,476	44,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. PROPERTY AND EQUIPMENT (CONTINUED)

	Machinery and production equipment *US$'000*	Leasehold improvement *US$'000*	Fixtures and office equipment *US$'000*	Construction in progress *US$'000*	Total *US$'000*
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At January 1, 2022	558	133	886	–	1,577
Provided for the year	1,734	320	490	–	2,544
Eliminated on disposals	(494)	–	(566)	–	(1,060)
Exchange adjustment	(3)	(39)	(5)	–	(47)
At December 31, 2022	1,795	414	805	–	3,014
Provided for the year	3,150	842	748	–	4,740
Eliminated on disposals	(138)	–	(28)	–	(166)
Exchange adjustment	(34)	(8)	(11)	–	(53)
At December 31, 2023	4,773	1,248	1,514	–	7,535
Provided for the year	3,005	1,716	851	–	5,572
Eliminated on disposals	(20)	(727)	(400)	–	(1,147)
Exchange adjustment	(137)	(33)	(33)	–	(203)
At December 31, 2024	7,621	2,204	1,932	–	11,757
Provided for the period	1,524	953	278	–	2,755
Eliminated on disposals	(7)	–	(21)	–	(28)
Exchange adjustment	103	29	23	–	155
At May 31, 2025	9,241	3,186	2,212	–	14,639
CARRYING VALUE					
At December 31, 2022	12,490	1,663	1,390	2,664	18,207
At December 31, 2023	13,543	4,119	1,643	4,306	23,611
At December 31, 2024	18,843	7,568	1,008	3,480	30,899
At May 31, 2025	18,032	6,393	918	4,476	29,819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. PROPERTY AND EQUIPMENT (CONTINUED)

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives *Years*	**Estimated residual values**
Machinery and production equipment	5-7	5%
Leasehold improvement	Over the shorter of the term of the lease, or 3 years	–
Fixtures	3	5%
Office equipment	3-4	5%

17. RIGHT-OF-USE ASSETS

The Target Group

	Buildings *US$'000*
COST	
At January 1, 2022	4,507
Additions	3,208
Disposals	(417)
Exchange adjustment	(190)
At December 31, 2022	7,108
Additions	7,348
Disposals	(1,589)
Exchange adjustment	(127)
At December 31, 2023	12,740
Additions	1,341
Disposals	(1,595)
Exchange adjustment	(309)
At December 31, 2024	12,177
Additions	–
Disposals	(501)
Exchange adjustment	126
At May 31, 2025	11,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. RIGHT-OF-USE ASSETS (CONTINUED)

	Buildings *US$'000*
ACCUMULATED DEPRECIATION	
At January 1, 2022	507
Charge for the year	1,857
Eliminated on disposals	(185)
Exchange adjustment	(56)
At December 31, 2022	2,123
Charge for the year	2,283
Eliminated on disposals	(1,589)
Exchange adjustment	(30)
At December 31, 2023	2,787
Charge for the year	2,779
Eliminated on disposals	(1,015)
Exchange adjustment	(84)
At December 31, 2024	4,467
Charge for the period	1,237
Eliminated on disposals	(498)
Exchange adjustment	51
At May 31, 2025	5,257
CARRYING VALUE	
At December 31, 2022	4,985
At December 31, 2023	9,953
At December 31, 2024	7,710
At May 31, 2025	6,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Expenses relating to short-term leases	92	103	126	7	26
Total cash outflow for leases	2,184	2,748	3,662	1,436	755

During the Relevant Periods, the Target Group leases buildings for its operations. Lease contracts are entered into for fixed term of 6 months to 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Target Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Target Group regularly entered into short-term leases. At December 31, 2022, 2023 and 2024 and May 31, 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

In addition, lease liabilities of US$5,179,000, US$10,010,000, US$7,425,000 and US$6,888,000 are recognised with related right-of-use assets of US$7,108,000, US$12,740,000, US$12,177,000 and US$11,802,000 at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

18. INTANGIBLE ASSETS

The Target Group

	Software	Assets under installation	Total
	US$'000	*US$'000*	*US$'000*
COST			
At January 1, 2022	322	–	322
Additions	271	–	271
Exchange adjustment	(25)	–	(25)
At December 31, 2022	568	–	568
Additions	1,112	1,846	2,958
Transfers from assets under installation	1,627	(1,627)	–
Disposal	(13)	–	(13)
Exchange adjustment	(14)	–	(14)
At December 31, 2023	3,280	219	3,499
Additions	287	697	984
Transfers from assets under installation	743	(743)	–
Exchange adjustment	(92)	(7)	(99)
At December 31, 2024	4,218	166	4,384

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. INTANGIBLE ASSETS (CONTINUED)

	Software *US$'000*	Assets under installation *US$'000*	Total *US$'000*
Additions	–	107	107
Transfers from assets under installation	215	(215)	–
Exchange adjustment	52	2	54
At May 31, 2025	4,485	60	4,545
ACCUMULATED AMORTISATION			
At January 1, 2022	19	–	19
Provided for the year	181	–	181
Exchange adjustment	(2)	–	(2)
At December 31, 2022	198	–	198
Provided for the year	488	–	488
Eliminated on disposal	(4)	–	(4)
Exchange adjustment	(5)	–	(5)
At December 31, 2023	677	–	677
Provided for the year	1,298	–	1,298
Exchange adjustment	(19)	–	(19)
At December 31, 2024	1,956	–	1,956
Provided for the period	546	–	546
Exchange adjustment	24	–	24
At May 31, 2025	2,526	–	2,526
CARRYING VALUE			
At December 31, 2022	370	–	370
At December 31, 2023	2,603	219	2,822
At December 31, 2024	2,262	166	2,428
At May 31, 2025	1,959	60	2,019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	2-3 years

19. IMPAIRMENT ASSESSMENT ON NON-CURRENT ASSETS

In view of the continuing losses and gross loss of LiDAR sensors sold for the year ended December 31, 2024, the management of the Target Group concluded that there was indication for impairment and conducted impairment assessment on recoverable amounts on property and equipment and intangible assets with carrying amounts of US$33,327,000 as at December 31, 2024. The Target Group have estimated the recoverable amount of the property and equipment and intangible assets higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on value in use and no impairment has been recognised.

For the purpose of impairment testing, the management consider the Target Group as a cash-generating unit ("CGU").

The basis of the recoverable amounts of the Current Business and its major underlying assumptions are summarised below:

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The values to the assigned key assumptions were based on the historical performance of products and the management's expectation of future operation. Pre-tax discount rate of 12% was used to reflect market assessment of time value and the specific risks relating to the operation for the impairment review as at December 31, 2024. The revenue growth rate from 8% to 62% which used in the cash flow projections is based on the future business plan. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted costs and expenses, such estimation is based on the Target Group's past performance and management's expectations for the market development.

In view of the subsequent operations results in line with the forecast and gross profit made in the five months ended May 31, 2025, the management of the Target Group concluded that there was no indication for impairment as at May 31, 2025.

20. INVENTORIES

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Raw materials	30,456	24,674	10,882	12,933
Work-in-progress	22	2	–	–
Finished goods	1,669	12,955	9,596	9,206
	32,147	37,631	20,478	22,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENT/OTHER NON-CURRENT ASSETS

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Trade receivables	37,766	32,365	31,945	38,040
Less: Impairment loss allowance for trade receivables	(15)	(168)	(1,575)	(1,421)
	37,751	32,197	30,370	36,619
Other receivables and prepayment and other non-current assets				
Prepaid expenses	3,561	3,308	2,683	3,336
Value added tax receivable	7,115	19,264	20,606	19,955
Compensation for R&D expense	–	–	8,191	9,221
Deferred issue cost	–	–	115	173
Rental deposits (non-current)	385	291	497	504
Others	650	354	160	302
	11,711	23,217	32,252	33,491
	49,462	55,414	62,622	70,110
Analysed as:				
Non-current	648	547	533	540
Current	48,814	54,867	62,089	69,570
	49,462	55,414	62,622	70,110

The Target Company

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Other receivables				
Deferred issue cost	–	–	115	173
Others	14	11	20	179
	14	11	135	352

The Target Group normally allows the credit period ranged from 30 to 90 days to its customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENT/OTHER NON-CURRENT ASSETS (CONTINUED)

The following is an aging analysis of trade receivables, net of impairment loss allowance, presented based on invoice dates at the end of each reporting period.

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
0 to 6 months	37,533	30,932	28,825	34,568
6 months to 1 year	161	1,233	1,268	1,034
1 to 2 years	57	11	277	1,001
Over 2 years	–	21	–	16
	37,751	32,197	30,370	36,619

At December 31, 2022, 2023 and 2024 and May 31, 2025, the Target Group's trade receivables of US$257,000, US$4,701,000, US$4,853,000 and US$3,970,000, respectively, are past due. Out of the past due balances, US$257,000, US$4,701,000, US$3,609,000 and US$3,023,000 on December 31, 2022, 2023 and 2024 and May 31, 2025, respectively, are not considered as in default because the management of the Target Group, according to the historical settlement pattern, industry practice and the Target Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high. The remaining past due balances with the amount of nil, nil, U$1,244,000 and US$947,000 on December 31, 2022, 2023 and 2024 and May 31, 2025, respectively, are considered as in default due to the sign of significant financial difficulty of the issuers, and the Target Group have recognized full impairment loss allowance on the gross amount.

Movements of impairment loss allowance on trade receivables

Movement of impairment loss allowance at lifetime ECL on trade receivables for the Relevant Periods:

The Target Group

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-Impaired)	Total
	US$'000	*US$'000*	*US$'000*
At January 1, 2022	2	–	2
Impairment losses recognised	15	–	15
Impairment losses reversed	(2)	–	(2)
At December 31, 2022	15	–	15
Impairment losses recognised	168	–	168
Impairment losses reversed	(15)	–	(15)
At December 31, 2023	168	–	168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENT/OTHER NON-CURRENT ASSETS (CONTINUED)

Movements of impairment loss allowance on trade receivables (Continued)

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-Impaired)	Total
	US$'000	*US$'000*	*US$'000*
Transfer to credit-impaired	(81)	81	–
Impairment losses recognised	331	1,163	1,494
Impairment losses reversed	(87)	–	(87)
At December 31, 2024	331	1,244	1,575
Impairment losses recognised	474	–	474
Impairment losses reversed	(331)	(297)	(628)
At May 31, 2025	474	947	1,421

22. FINANCIAL ASSET AT FVTPL

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Bond fund investment	–	–	1,000	–

The bond fund investment is classified as current as the management expects to realize the financial asset within twelve months after the reporting period.

As of December 31, 2024, the Target Group held bond fund investment of US$1,000,000 issued by CNCB (Hong Kong) Investment Limited.

23. RECEIVABLES AT FVTOCI

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Bills receivables	–	–	–	2,317

During the five months ended May 31, 2025, the fair value change of receivables at FVTOCI was immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RECEIVABLES AT FVTOCI (CONTINUED)

The credit period of bill receivables is 90 to 180 days. Aging of bill receivables based on the issue date at the end of the reporting period is as follows:

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Within 90 days	–	–	–	2,317

24. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES/TIME DEPOSITS

Cash and cash equivalents

The Target Group

Cash and cash equivalents held by the Target Group comprised of bank balances and short term bank deposits with an original maturity of three months or less. The bank balances and short term bank deposits carry interest at market rates ranging from 0.05% to 4.51%, 0.01% to 5.43%, nil to 3.50% and nil to 3.50% per annum at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively.

The Target Group's cash and cash equivalents that are denominated in currency other than the functional currency of the relevant group entities are set out below:

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
US$	14,363	40,746	179	179
Renminbi ("RMB")	–	2	15,218	453

The Target Company

Cash and cash equivalents held by the Target Company comprised of bank balances and short term bank deposits with an original maturity of three months or less. The bank balances and short term bank deposits carry interest at market rates ranging from 1.80% to 4.51%, 0.01% to 5.43%, nil to 0.10% and nil to 0.05% per annum at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively.

Restricted bank balances

The Target Group

Restricted bank balances comprised of bank balances that are restricted to withdraw or use under the terms of certain contractual agreements. The restricted bank deposits will be released upon the fulfilment of the terms in accordance with the relevant contractual agreements. Except for US$1,413,000, US$8,393,000 and US$8,411,000 restricted bank balances at December 31, 2023 and 2024 and May 31, 2025, respectively, the management of the Target Group expects the remaining restricted bank deposits will be fully released within the next 12 months at the end of each reporting period. The non-current restricted bank deposits US$1,413,000, US$1,393,000 and US$1,411,000 at December 31, 2023 and 2024 and May 31, 2025, respectively, represents the earnest deposit of RMB10 million paid by the Target Group to a bank in accordance with the framework agreement entered into by the Target Group with an independent third party. Pursuant to the framework agreement, the independent third party will construct a manufacturing facility on behalf of the Target Group and the Target Group is obligated to purchase the facility and related land use right within 5 years from the date the facility becomes available for use by the Target

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES/TIME DEPOSITS (CONTINUED)

Restricted bank balances continued

The Target Group continued

Group. The non-current restricted bank deposits of US$7,000,000 and US$7,000,000 at December 31, 2024 and May 31, 2025 serves as full collateral for the loan, in accordance with the bank loan agreement between the Target Group and East West Bank. The restricted bank balances carry interests at market rates ranging from nil to 0.01%, nil to 0.01%, nil to 4.06% and nil to 3.92% per annum at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively.

Time deposits

The Target Group

The Target Group did not have any time deposits at December 31, 2022. At December 31, 2023, the Target Group held time deposits of US$16,000,000 with original maturity of more than 3 months which carried effective interest rates ranging from 4.00% to 5.35% per annum. The Target Group did not have any time deposits at December 31, 2024. The Target Group did not have any time deposits at May 31, 2025.

25. TRADE AND OTHER PAYABLES

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Trade payables	91,648	90,778	62,653	60,937
Bill payables	–	–	–	3,022
Other payables				
Salary and bonus payables	4,534	6,005	6,545	7,087
Accrued legal and professional expenses	2,387	3,106	1,944	689
Accrued issue cost	–	–	91	37
Accrued listing expense	–	–	1,962	799
Current income tax payables	508	497	729	955
Payables for acquisition of property and equipment	2,148	1,917	1,772	1,088
Other tax payables	1,627	222	494	209
Interest payables	26	31	781	2,163
Others	146	900	49	74
	11,376	12,678	14,367	13,101
	103,024	103,456	77,020	77,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. TRADE AND OTHER PAYABLES (CONTINUED)

The Target Company

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Accrued legal and professional expenses	2,323	2,449	546	3
Accrued issue cost	–	–	91	37
Accrued listing expense	–	–	1,962	799
	2,323	2,449	2,599	839

The Target Group is normally granted the credit period ranged from 30 to 90 days from its creditors.

The following is an aging analysis of trade payables presented based on the invoice dates at the end of each reporting period:

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
0-30 days	90,976	51,712	31,544	30,478
31-180 days	200	31,048	31,064	26,865
181-365 days	472	8,018	45	3,594
	91,648	90,778	62,653	60,937

26. BORROWINGS

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Bank loans	22,469	42,704	21,659	23,697
Financial institution loans	–	–	14,914	15,111
	22,469	42,704	36,573	38,808
Unsecured and unguaranteed	22,469	42,704	14,659	16,697
Secured and guaranteed	–	–	21,914	22,111
	22,469	42,704	36,573	38,808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. BORROWINGS (CONTINUED)

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Carrying amount repayable* as follows:				
– within one year	17,499	41,009	14,659	15,347
– more than one year but not more than two years	4,970	1,695	21,914	23,461
	22,469	42,704	36,573	38,808
Carrying amount of above borrowings that are repayable on demand due to the breach of financial covenants *(note 1)* (shown under current liabilities)	(4,970)	–	–	–
Carrying amount of above borrowings that are prepayable upon certain condition *(note 2)* (shown under current liabilities)	–	–	(14,914)	(15,111)
	17,499	42,704	21,659	23,697
Less: Amount due for settlement within one year shown under current liabilities	(17,499)	(41,009)	(14,659)	(15,347)
Amounts shown under non-current liabilities *(note 3)*	–	1,695	7,000	8,350

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

(1) In respect of bank loans with carrying amount of US$15,221,000, US$8,235,000, nil and nil at December 31, 2022, 2023 and 2024 and May 31, 2025 raised by the Target Group, respectively, the Target Group is required to comply with the following significant financial covenants on the consolidated financial statements level throughout the continuance of the relevant loans and/or as long as the loans are outstanding:

- Debt to asset ratio shall be no more than 160% by each quarter end;
- Current ratio shall be no less than 0.8 by each quarter end;
- Quick ratio shall be no less than 1.50 by each quarter end;
- Revenue in each of the quarters ended December 31, 2022, March 31, 2023 and June 30, 2023 shall be no less than RMB245 million, RMB192 million and RMB256 million;
- Receive the financing payment of not less than US$80 million from Series D redeemable convertible preferred share by no later than March 31, 2023.

During the years ended December 31, 2022 and 2023, the Target Group breached certain financial covenants of a bank loan with carrying amount of US$8,698,000 and US$8,235,000. As a result, US$3,728,000 and US$6,540,000 were recorded as current liabilities as at December 31, 2022 and 2023, respectively. The financial covenants were subsequently waived in 2023 and further canceled in 2024 by the financial institution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. BORROWINGS (CONTINUED)

(2) On November 26, 2024, the Target Group entered into a two-year term loan facility agreement in the principal amount of US$30,000,000, the parties to which are CNCB (Hong Kong) Investment Limited as the lender, Innovusion Hong Kong Limited (an indirectly wholly-owned subsidiary of the Target Company) as the borrower, and the Target Company as the guarantor. Innovusion Hong Kong Limited, a holding company incorporated in Hong Kong, serves as the holding entity for the Target Group's entities in Mainland China. The lender is a financial institution incorporated in Hong Kong. For jurisdictional convenience, the loan facility agreement was executed with Innovusion Hong Kong Limited as the borrower, with the loan intended for working capital purposes. As security for the loan, the borrower pledged all of the shares in Tudatong (Chongqing) Co., Ltd., a wholly-owned subsidiary of the borrower, in favor of the lender. This equity pledge was arranged following business negotiations between the borrower and the lender to enhance the borrower's credit profile. Tudatong (Chongqing) Co., Ltd. is a non-operating entity and, as such, did not generate any meaningful revenue during the Relevant Periods. As of May 31, 2025, Tudatong (Chongqing) Co., Ltd. had a paid-in capital of US$20.0 million. On December 19, 2024, US$15,000,000 was drawn down under the facility. Pursuant to the loan facility agreement, the Target Group is obliged to prepay the loan, unless otherwise agreed in writing by the lender, if the proposed listing of the Target Company's shares on the main board of the Stock Exchange (or another exchange approved by the lender) has not been approved by the China Securities Regulatory Commission, the Stock Exchange, or any other relevant regulatory authority by December 19, 2025, which is 12 months from the date of drawdown. As of the date of this report, the Target Group has not repaid the loan. In accordance with the loan facility agreement, upon the successful completion of the Listing, the borrower is entitled to request the release of the share pledge, and the lender shall not unreasonably refuse such release.

(3) The bank requires the Target Group to provide a 100% cash-secured collateral for the US$7,000,000 loan, hence the Target Group classified the withdrawal of US$7,000,000 as non-current restricted bank balances.

27. LEASE LIABILITIES

The Target Group

	At December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Lease liabilities payable:				
Within one year	2,163	3,235	2,696	2,930
Within a period of more than one year but not exceeding two years	1,865	2,001	2,471	2,010
Within a period of more than two years but not exceeding five years	1,151	4,774	2,258	1,948
	5,179	10,010	7,425	6,888
Less: Amounts due for settlement within 12 months shown under current liabilities	(2,163)	(3,235)	(2,696)	(2,930)
Amounts due for settlement after 12 months shown under non-current liabilities	3,016	6,775	4,729	3,958

The Target Group's incremental borrowing rates applied to lease liabilities ranged from 3.65% to 4.65%, 3.65% to 4.83%, 3.40% to 4.83% and 3.40% to 4.83% per annum for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. OTHER CURRENT LIABILITIES/LONG TERM PAYABLES

The Target Group

On October 15, 2022, the Target Group entered into a Cooperative Research and Development Agreement with NIO, one of the major customers of the Target Group, to develop ASIC chip used in LiDAR sensor. The total contract amount related to the development of ASIC chip is RMB289,255,000 (equivalent to US$43,172,000). As at December 31, 2022 and 2023, the amount of US$36,235,000 and US$42,641,000 was recorded as trade payables, respectively.

On July 16, 2024, the Target Group entered into a supplementary agreement with NIO on future payment schedule, under which the Target Group is required to pay twelve instalments of RMB24,105,000 (equivalent to US$3,346,000) and interest amount of RMB3,677,000 (equivalent to US$510,000) at each quarter end starting from March 31, 2025. On December 31, 2024, the payment of principal within one year amounted to US$13,784,000 is recorded as other current liabilities, and the payment of principal over one year amounted to US$27,567,000 is recorded as long term payables, while the accrued interest is recorded as other payables.

On February 26, 2025, the Target Group entered into another supplementary agreement with NIO related to the Agreement to further extend the payment schedule with an additional interest of RMB4,865,000 (equivalent to US$675,000). The supplementary agreement required the Target Group to pay RMB27,782,000 (equivalent to US$3,856,000) on March 31, 2026, RMB115,991,000 (equivalent to US$16,095,000) on April 30, 2026 and seven instalments in the amount of RMB27,782,000 (equivalent to US$3,856,000) at each quarter end starting from June 30, 2026. On May 31, 2025, the payment of principal within one year amounted to US$17,073,000 is recorded as other current liabilities, and the payment of principal over one year amounted to US$24,823,000 is recorded as long term payables, while the accrued interest is recorded as other payables.

29. SHARE CAPITAL/TREASURY SHARES

Ordinary shares and treasury shares

Ordinary shares of US$0.001 each:

	Number of shares	Number of shares *in thousand*
Authorised		
At January 1, and December 31, 2022	71,762,240	72
Increase in 2023	82,711,478	82
At December 31, 2023 and 2024 and May 31, 2025	154,473,718	154

	Number of shares	Share capital *US$*	Presented as *US$'000*	Treasury shares *US$*	Presented as *US$'000*
Issued and fully paid					
At January 1, 2022	11,412,474	11,412	11	–	–
Issuance of common stock to Share Incentive Plan Trust *(note 32)*	765,656	766	1	(766)	(1)
Issuance of common stock upon exercise of stock options and vesting of early exercised stock options *(note 32)*	233,874	234	–*	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. SHARE CAPITAL/TREASURY SHARES (CONTINUED)

Ordinary shares and treasury shares (Continued)

	Number of shares	Share capital *US$*	Presented as *US$'000*	Treasury shares *US$*	Presented as *US$'000*
At December 31, 2022	12,412,004	12,412	12	(766)	(1)
Issuance of common stock upon exercise of stock options and vesting of early exercised stock options *(note 32)*	85,814	86	1	–	–
Issuance of common stock *(Note i)*	281,021	281	–*	–	–
At December 31, 2023	12,778,839	12,779	13	(766)	(1)
Issuance of common stock upon exercise of common stock warrants *(Note ii)*	462,907	463	–*	–	–
At December 31, 2024	13,241,746	13,242	13	(766)	(1)
Issuance of common stock upon exercise of stock options and vesting of early exercised stock options *(note 32)*	45,974	46	–*	–	–
At May 31, 2025	13,287,720	13,288	13	(766)	(1)

* Amount less than US$1,000.

Notes:

(i) In December 2023, the Target Company issued 1,077,333 Series D redeemable convertible preferred shares to certain investor with total consideration of US$24,611,000. In connection with the issuance, the Target Company also issued 281,021 shares of ordinary shares to the aforementioned investor with total consideration of US$1,987,000 in December 2023.

(ii) In connection with the issuance of convertible notes in December 2019, the Target Company issued warrants to purchase 567,312 shares of common stock at an exercise price of US$0.001 per share to certain investors in the convertible notes (the "Note Warrants"). The Note Warrants expire in December 2025. At December 31, 2023, the Note Warrants to purchase 442,259 shares of common stock remained outstanding.

In connection with the Silicon Valley Bank ("SVB") Loan Agreement in April 2019, the Target Company issued to SVB a warrant to purchase 15,000 shares of common stock, plus up to 15,000 additional shares of common stock at a price of US$1.53 per share ("SVB Warrant"). The SVB Warrant expires in April 2029 and remains outstanding at December 31, 2023.

In February and March 2024, the above mentioned Note Warrants and SVB Warrant were exercised on a cashless basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL

The Target Group

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Redeemable convertible preferred shares	447,498	670,111	982,136	983,351
Redeemable preferred equity	–	–	–	4,195
	447,498	670,111	982,136	987,546

Redeemable convertible preferred shares

The Target Company entered into share purchase agreements with some investors and issued seven series of redeemable convertible preferred shares as follows:

	Date of subscription	Number of investors	Subscription price per share	Total consideration	Total number of shares of the Target Company subscribed
			US$	*US$'000*	
Series Seed	November 22, 2016	3	1.0000	2,750	2,750,000
Series A *(note i)*	August 21, 2018 and September 10, 2018	15	10.3030	29,300	2,843,824
Series A-1 *(note ii)*	December 1, 2020 and December 29, 2020	5	2.9320	6,200	2,114,596
Series A-1 *(note ii)*	January 8, 2021	2	2.9320	2,360	804,911
Series B *(note iii)*	April 9, 2021	11	7.5897	56,037	7,383,207
Series B+	July 9, 2021 and December 17, 2021	9	12.1967	75,610	6,199,212
Series C	January 17, 2022, March 7, 2022, March 15, 2022, May 4, 2022, May 16, 2022, May 17, 2022 and May 23, 2022	14	19.1123	121,268	6,345,018
Series D	July 3, 2023, September 15, 2023, October 10, 2023 and December 28, 2023	4	22.8446	142,165	6,223,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable convertible preferred shares (Continued)

The outstanding redeemable convertible preferred shares are as below:

	As at December 31,			At May 31,
	2022	2023	2024	2025
Series Seed	2,750,000	2,750,000	2,750,000	2,750,000
Series A *(note i)*	2,741,913	2,741,913	2,741,913	2,741,913
Series A-1 *(note ii)*	8,080,188	8,080,188	8,080,188	8,080,188
Series B *(note iii)*	8,466,446	8,466,446	8,466,446	8,466,446
Series B+	6,199,212	6,199,212	6,199,212	6,199,212
Series C	6,345,018	6,345,018	6,345,018	6,345,018
Series D	–	6,223,143	6,223,143	6,223,143

Notes:

(i) In the month of July 2021 and September 2021, the Target Company entered into share repurchase agreement with certain shareholder to repurchase total of 101,911 shares of Series A redeemable convertible preferred shares.

(ii) In December 2020, the Target Company issued 2,623,165 shares of Series A-1 redeemable convertible preferred shares upon conversion of convertible notes. In December 2021, 2,537,516 shares of Series A-1 redeemable convertible preferred shares were issued in relation to the exercise of Series A-1 warrants.

(iii) In April 2021, the Target Company issued 1,083,239 shares of Series B redeemable convertible preferred shares upon conversion of convertible notes.

The rights, preferences and privileges of Series Seed redeemable convertible preferred shares, Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares and Series D redeemable convertible preferred shares (collectively, "Preferred Shares") are as follows:

Liquidation

In the event of the liquidation, dissolution or winding-up of the Target Company, whether voluntary or involuntary, or any sale of the Target Company (each a "liquidation event"), the holder of shares of each series of redeemable convertible preferred shares, prior and in preference to any distribution of proceeds from such liquidation event to the holders of a preceding series of redeemable convertible preferred shares and of common stock, an amount equal to the 100% of issue price of the respective series of redeemable convertible preferred shares in respect of each share plus any declared and unpaid dividends, as applicable, proportionately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events. The remaining assets and funds of the Target Company, if any, available for distribution shall be distributed ratably among all shareholders according to the relative number of the shares of common stock held by such shareholder on a shareholder diluted basis to the extent permitted by applicable laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable convertible preferred shares (Continued)

Dividend

Holders of redeemable convertible preferred shares are entitled to receive non-cumulative dividends prior and in preference to dividends declared on common stock at an annual rate of 8% of the original issuance price per share, adjusted for any stock splits, stock dividends, combinations, recapitalizations, and similar events when and if declared by the Board of Directors. The right of the holders of every next series of redeemable convertible preferred shares then outstanding to receive such dividends shall rank senior and prior to and in preference to the dividend rights of the holders of the other previous series of redeemable convertible preferred shares. After all redeemable convertible preferred shares dividends have been paid, the holders of common stock and redeemable convertible preferred shares will be entitled to receive dividends, when and if declared by the Board of Directors, in proportion to the number of shares of common stock held by them, on an as-converted basis.

Conversion

Each share of redeemable convertible preferred shares may, at the option of the holder, be converted at any time into shares of the Target Company's common stock based on the ratio obtained by dividing the issue price of such redeemable convertible preferred shares by the conversion price of US$22.84 for Series D redeemable convertible preferred shares, US$19.11 for Series C redeemable convertible preferred shares, US$12.20 for Series B+ redeemable convertible preferred shares, US$7.59 for Series B redeemable convertible preferred shares, US$2.93 for Series A-1 redeemable convertible preferred shares, US$2.88 for Series A redeemable convertible preferred shares (a 1:3.57929 initial conversation ratio), US$1.0 for Series Seed redeemable convertible preferred shares, as adjusted for any stock splits, stock dividends, combinations, recapitalizations, and similar events. The conversion prices are also subject to adjustment upon issuance of additional common stock for a consideration per share less than the applicable conversion price of a series of redeemable convertible preferred shares. In addition, each share of redeemable convertible preferred shares will automatically be converted into shares of common stock either (i) upon the listing of the Target Company's common stock on an internationally recognized stock exchange, or the closing of a firm commitment underwritten public offering of the Target Company's common stock on an internationally recognized stock exchange with a market capitalization of the Target Company increased of US$2.0 billion with aggregate gross proceeds to the Target Company of US$200.0 million ("Qualified IPO"), or (ii) upon written consent of the holders of at least 60% of the shares of Series Seed redeemable convertible preferred shares (voting on an as-converted basis), the holders of at least 60% of the shares of Series A redeemable convertible preferred shares (voting on an as-converted basis), the holders of at least 60% of the shares of Series A-1 redeemable convertible preferred (voting on an as-converted basis), the holders of at least 70% of the shares of Series B redeemable convertible preferred shares, the holders of at least 70% of the shares of Series B+ redeemable convertible preferred shares, the holders of at least 60% of the shares of Series C redeemable convertible preferred shares, and the holders of at least 60% of the shares of Series D redeemable convertible preferred shares.

Voting rights

The holders of each share of redeemable convertible preferred shares are entitled to the number of votes equal to the number of shares of common stock into which such shares of redeemable convertible preferred shares could be converted. With respect to such vote, the holders have full voting rights and powers equal to the voting rights and powers of common stock.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable convertible preferred shares (Continued)

Redemption

Each holder of shares of redeemable convertible preferred shares may, by written request to the Target Company, require that the Target Company redeem any or all of the outstanding shares of redeemable convertible preferred shares held by such holder (i) on December 31, 2026, a Qualified IPO has not occurred, or (ii) if the Target Company or any of its subsidiaries has committed a material breach of any agreements related to issuance of the redeemable convertible preferred shares, or (iii) any holder of shares of redeemable convertible preferred shares duly submits to the Target Company a notice for the redemption of any shares of the redeemable convertible preferred shares pursuant to the foregoing clauses (i) or (ii).

The redemption price of the redeemable convertible preferred shares is as follows:

- Each share of Series Seed redeemable convertible preferred shares shall be redeemed at the amount equal to issue price of Series Seed redeemable convertible preferred shares, plus an amount that would accrue at a rate of 10% per annum, compounding annually, calculated from the closing date of Series Seed redeemable convertible preferred shares and ending on its redemption date, and all dividends declared but unpaid on such shares of Series Seed redeemable convertible preferred shares.

- Each share of Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares and Series D redeemable convertible preferred shares shall be redeemed at the greater of (i) the amount equal to the applicable issue price of Series A, Series A-1, Series B, Series B+, Series C or Series D redeemable convertible preferred shares, plus an amount that would accrue at a rate of 10% per annum, compounding annually, calculated from the date of purchase of such Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares, Series D redeemable convertible preferred shares (as the case may be) and ending on its redemption date, and all dividends declared but unpaid on such share or (ii) the fair market value of a Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares or Series D redeemable convertible preferred shares (as the case may be) on the date on which the redemption notice is given.

Anti-dilution protection

If at any time, in the event that after June 30, 2023, the Target Company shall issue or sell additional ordinary Shares without consideration or for a per share consideration less than the applicable Conversion Price with respect to a series of redeemable convertible preferred shares in effect on the date of and immediately prior to such issue, then and in such event, the applicable Conversion Price for such series of redeemable convertible preferred shares shall be reduced in order to ensure that its overall ownership is not diminished by the sale of the new ordinal shares.

Presentation and Classification

The redeemable convertible preferred shares are regarded as financial liabilities measured at FVTPL. The directors of the Target Company considered that the changes in the fair value of the Preferred Shares attributable to the change in credit risk of the Target Group is minimal. Changes in fair value of the redeemable convertible preferred shares are charged to profit or loss and included in "fair value changes of financial liabilities at FVTPL". For the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2025, the Target Company recognised fair value changes of financial liabilities at FVTPL on redeemable convertible preferred shares of US$43,257,000, US$80,448,000, US$312,025,000 and US$1,215,000, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable convertible preferred shares (Continued)

Presentation and Classification (Continued)

The redeemable convertible preferred shares were valued by the directors of the Target Company with reference to valuation reports carried out by independent qualified professional valuer, ValueLink Management Consultants Limited, which has appropriate qualifications and experiences in valuation of similar instruments. The address of ValueLink Management Consultants Limited which valuation report was referenced to for the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2025 is Room 1201, Jing Guang Centre Business Building, 1 Chaoyangmen Outer Street, Chaoyang District, Beijing, the PRC.

The Target Company used the back-solve method to determine the underlying share value of the Target Company and performed an equity allocation based on option pricing model ("OPM") to arrive the fair value of the redeemable convertible preferred shares as of the dates of issuance and at the end of each reporting period.

In addition to the underlying share value of the Target Company determined by back-solve method, other key valuation assumptions used in OPM to determine the fair value are as follows:

	As at December 31,			At May 31,
	2022	2023	2024	2025
Time to liquidation	3.05 years	3.00 years	2.00 years	1.58 years
Risk-free rate	4.18%	4.00%	4.24%	3.99%
Expected volatility	61.10%	53.00%	54.55%	57.85%
Expected dividend yield	–	–	–	–
Possibilities under liquidation scenario	42.50%	37.50%	25.00%	25.00%
Possibilities under redemption scenario	42.50%	37.50%	25.00%	25.00%
Possibilities under IPO scenario	15.00%	25.00%	50.00%	50.00%

The directors of the Target Company estimated the risk-free interest rate based on the yield of the United States Treasury Bonds with a maturity life close to period from the respective valuation dates to the expected liquidation dates. Volatility was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield is based on management estimate at the valuation date.

The movement of the fair value of the redeemable convertible preferred shares is set out as below:

	Series Seed	Series A	Series A-1	Series B	Series B+	Series C	Series D	Total redeemable convertible preferred shares
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At January 1, 2022	4,477	63,126	52,346	78,041	84,983	–	–	282,973
Additions during the year	–	–	–	–	–	121,268	–	121,268
Changes in fair value	448	14,279	11,649	4,845	1,405	10,631	–	43,257
At December 31, 2022	4,925	77,405	63,995	82,886	86,388	131,899	–	447,498

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable convertible preferred shares (Continued)

Presentation and Classification (Continued)

	Series Seed *US$'000*	Series A *US$'000*	Series A-1 *US$'000*	Series B *US$'000*	Series B+ *US$'000*	Series C *US$'000*	Series D *US$'000*	Total redeemable convertible preferred shares *US$'000*
Additions during the year	–	–	–	–	–	–	142,165	142,165
Changes in fair value	493	20,659	16,906	16,675	8,639	13,190	3,886	80,448
At December 31, 2023	5,418	98,064	80,901	99,561	95,027	145,089	146,051	670,111
Changes in fair value	543	88,250	72,542	72,899	43,029	15,340	19,422	312,025
At December 31, 2024	5,961	186,314	153,443	172,460	138,056	160,429	165,473	982,136
Changes in fair value	244	(2,454)	(1,988)	(1,593)	(747)	5,707	2,046	1,215
At May 31, 2025	6,205	183,860	151,455	170,867	137,309	166,136	167,519	983,351

Redeemable preferred equity

In March 2025, Tudatong (Pinghu) Co., Ltd. ("Tudatong Pinghu") entered into definitive agreements with a third party investor (the "Pinghu's Investor") and issued redeemable preferred equity for a cash consideration of RMB30,000,000 (equivalent to US$4,130,000) on March 31, 2025. The Pinghu's Investor is one of the top suppliers for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025.

The primary preference rights of the redeemable preferred equity are as follows:

Anti-dilution protection

If Tudatong Pinghu issues additional shares for consideration per share ("New Issue Price") less than the consideration per share paid by the Pinghu's Investor ("Investment Price") after March 31, 2025, the Investment Price shall be adjusted to the New Issue Price according to the full ratchet clause. Tudatong Pinghu and the existing shareholders of Tudatong Pinghu may choose at their discretion, either to issue equity to the Pinghu's Investor at a nominal zero consideration or the lowest price permitted by relevant law, or to transfer the necessary equity to the Pinghu's Investor at a nominal zero consideration or the lowest price permitted by relevant law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Group (Continued)

Redeemable preferred equity (Continued)

Liquidation

In the event of the liquidation, dissolution, termination or any single transaction or series of transactions that may result in, (a) a merger, acquisition, transfer, issuance, purchase, business integration, or other form of transaction involving Tudatong Pinghu, leading to the combined shareholding ratio or voting power ratio of all shareholders of Tudatong Pinghu at the time being less than 50% in the surviving entity after the transaction, or (b) the sale, transfer, or other disposition of all or substantially all of the assets or business of Tudatong Pinghu to a third party. or winding-up of Tudatong Pinghu, whether voluntary or involuntary, (each a "liquidation event"), after the settlement of liquidation related expenses, employees' wages, social securities and statutory compensation and tax arrears, the amount to be received by the Investor for each dollar of the Tudatong Pinghu's registered capital corresponding to the equity interests in Tudatong Pinghu held by the Pinghu's Investor at that time, calculated in accordance with the following manner, the unit price per share of this investment plus a fixed return calculated at 8% per annum simple interest over the life of the investor's investment (the life of such investor's investment being calculated as the days over the consecutive period starting from March 31, 2025 until the date on which the amount has been paid out in full divided by 365, calculated to two decimal places), plus any declared and unpaid dividends, as applicable. The remaining assets and funds of the Tudatong Pinghu, if any, available for distribution shall be distributed ratably among all shareholders according to the shareholders contribution ratio.

Redemption

The Pinghu's Investor may require that Tudatong Pinghu redeem any or all of the outstanding shares of redeemable preferred equity held by the Pinghu's Investor in the event of, (a) if Tudatong Pinghu fails to qualify for listing by March 31, 2029, for any reason, or (b) if Tudatong Pinghu is acquired by a non-affiliated party before qualifying for listing, at an amount of the unit price per share of this investment plus a fixed return calculated at 8% per annum simple interest over the life of the investor's investment (the life of such investor's investment being calculated as the days over the consecutive period starting from March 31, 2025 until the date on which the amount has been paid out in full divided by 365, calculated to two decimal places), plus any declared and unpaid dividends, as applicable.

Presentation and Classification

The redeemable preferred equity are regarded as financial liabilities measured at FVTPL. The directors of the Target Company considered that the changes in the fair value of the redeemable preferred equity attributable to the change in credit risk of the Target Group is minimal. Changes in fair value of the redeemable preferred equity are charged to profit or loss and included in "fair value changes of financial liabilities at FVTPL". For the five months ended May 31, 2025, the Target Company recognised fair value changes of financial liabilities at FVTPL on redeemable preferred equity of US$65,000.

The Target Company used the back-solve method to determine the underlying equity value of the Tudatong Pinghu and performed an equity allocation based on OPM to arrive the fair value of the redeemable preferred equity. Key assumptions are set out as below:

	At May 31, 2025
Time to redemption	3.83 years
Risk-free rate	3.90%
Expected volatility	53.04%
Expected dividend yield	–
Possibilities under redemption scenario	100%

The movement of the fair value of the redeemable convertible preferred shares is set out as below:

	Five months ended May 31, 2025 *US$'000*
At January 1, 2025	–
Additions during the period	4,130
Changes in fair value	65
At May 31, 2025	4,195

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

The Target Company

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Redeemable convertible preferred shares	447,498	670,111	982,136	983,351

The redeemable convertible preferred shares were issued by the Target Company. The details are set out above.

31. WARRANTY LIABILITIES

The warranty provision represents management's best estimate of the Target Group's liability under 3-year assurance-type warranty granted on LiDAR sensors, based on prior experience and industry averages for defective products. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Target Group's warranty provisions are analyzed as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
At the beginning of the year/period	110	1,651	2,482	2,482	4,086
Provisions	1,556	2,037	2,681	1,915	770
Amount utilized	(15)	(1,206)	(1,077)	(494)	(719)
At the end of the year/period	1,651	2,482	4,086	3,903	4,137
Current portion of warrant liability	623	1,149	2,124	1,878	2,506
Non-current portion of warrant liability	1,028	1,333	1,962	2,025	1,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SHARE-BASED PAYMENT TRANSACTION

Equity-settled share option scheme of the Target Company

In 2016, the Target Company adopted its 2016 Share Incentive Plan (the "2016 Share Incentive Plan"). Under the 2016 Share Incentive Plan the Target Company may grant stock options, stock appreciation rights, restricted shares, restricted share units and other rights to employees, directors, and consultants of the Target Company. Incentive stock options and restricted share units ("RSUs") may only be granted to employees, whereas all other stock awards may be granted to employees, directors, consultants and other key persons. At May 31, 2025, the number of remaining shares of common stock reserved for issuance under the 2016 Share Incentive Plan was 94,094.

Stock options and RSUs under the 2016 Share Incentive Plan generally expire 10 years from the date of grant, or earlier if services are terminated. Stock options and RSUs granted generally vest over four years and either at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter or with a monthly vesting of 1/48th from the vesting start date. Other stock options granted would vest over two years at a rate of 50% upon the first anniversary of the issuance date and 1/24th per month thereafter or over one year with a monthly vesting of 1/12th from the vesting start date. The exercise price of stock options is determined by the directors of the Target Company, and will not be less than 100% of the estimated fair value of the shares on the grant date, with the exception of options granted to a 10% stockholder which shall be no less than 110% of the fair market value of shares on the grant date.

The 2016 Share Incentive Plan allows for the early exercise of stock options for certain individual as determined by the Target Company's board of directors. Stock options that are early exercised are subjected to a repurchase option that allows the Target Company to repurchase any unvested shares. Early exercises of stock options are not deemed to be outstanding shares for accounting purposes until those shares vest according to their respective vesting schedules. Accordingly, the consideration received for early exercises of stock options are initially recorded as a liability and reclassified to share capital and share premium as the underlying awards vest. At December 31, 2022, 2023 and 2024 and May 31, 2025, liabilities for unvested shares related to early exercises of stock options amounted to US$136,000, US$53,000, US$10,000 and nil, respectively.

Certain awards granted to employees in PRC cannot be exercised and employees cannot benefit from the vested options or RSUs in any other way before consummation of an initial public offering of Company's shares or a corporation transaction(1) as defined in 2016 Share Incentive Plan ("Liquidity Event"). The Liquidity Event is in substance a performance condition. No share-based payment expenses is recognised for awards granted to employees in the PRC until a Liquidity Event become probably to occur, which has not occurred at December 31, 2022, 2023 or 2024 and May 31, 2025. In March 2022, 765,656 common stocks were issued to Enlightning Limited ("Share Incentive Plan Trust"), a trust established for a portion of the PRC employees' options, based on early exercise agreements with certain of the PRC employees. The vesting of such share options will continue to be subject to satisfaction of the service and consummation of a Liquidity Event. If the aforementioned service and Liquidity Event are not satisfied, or the exercise price are not paid, the holders of the share options will not be entitled to the common stocks held by the Share Incentive Plan Trust. Thus, the Target Company still consider the equity award as share options from accounting perspective. In the opinion of the directors of the Target Company, there is no incremental fair value change immediately before and after the modification of the aforementioned 765,656 share options. The 765,656 common stocks issued for early exercise were recorded as treasury shares at December 31, 2022, 2023 and 2024 and May 31, 2025. No share-based payment expenses is recognised for the aforementioned awards granted to employees in the PRC at December 31, 2022, 2023 or 2024 and May 31, 2025 as a Liquidity Event is not probably to occur.

(1) Corporate Transaction – means any of the following transactions: i) a merger or consolidation in which the Target Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Target Company is incorporated; ii) the sale, transfer or other disposition of all or substantially all of the assets of the Target Company; iii) the complete liquidation or dissolution of the Target Company; iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Target Company is the surviving entity but (A) the ordinary shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than 50% of the total combined voting power of the Target Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction; or v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Target Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Target Company's outstanding securities but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Equity-settled share option scheme of the Target Company (Continued)

Details of the share options and RSUs outstanding during the Relevant Periods are as follows:

	December 31, 2022		December 31, 2023		December 31, 2024	
	Number of share options	Weighted average exercise price *(in US$)*	Number of share options	Weighted average exercise price *(in US$)*	Number of share options	Weighted average exercise price *(in US$)*
Outstanding at beginning of year	6,594,752	1.29	6,889,839	1.66	6,673,611	1.83
Granted during the year	959,995	4.31	388,900	6.73	1,099,521	8.59
Forfeited during the year	(431,034)	2.72	(519,314)	3.43	(534,765)	4.26
Exercised during the year	(233,874)	0.39	(85,814)	0.71	–	–
Outstanding at the end of the year	6,889,839	1.66	6,673,611	1.83	7,238,367	2.68
– The range of exercise prices	0.07-5.46		0.07-7.07		0.07-9.72	
Exercisable at the end of the year	2,575,313	1.24	3,785,103	1.74	4,910,251	2.04

	May 31, 2024		May 31, 2025	
	Number of share options *(unaudited)*	Weighted average exercise price *(in US$) (unaudited)*	Number of share options and RSUs	Weighted average exercise price *(in US$)*
Outstanding at beginning of period	6,673,611	1.83	7,238,367	2.68
Granted during the period	62,891	4.25	187,082	–
Forfeited during the period	(293,504)	4.22	(87,850)	7.17
Exercised during the period	–	–	(45,974)	1.64
Outstanding at the end of the period	6,442,998	1.74	7,291,625	2.56
– The range of exercise prices	0.07-8.63		0.07-9.72	
Exercisable at the end of the period	4,227,725	1.80	5,201,927	2.17

The estimated fair values of the RSUs granted on March 31, 2025 and May 31, 2025 are US$2,446,000 and US$714,000, respectively. During the year ended December 31, 2024, options were granted on March 31, 2024, June 30, 2024, September 30, 2024 and December 31, 2024. The estimated fair values of the options granted on those dates are US$294,000, US$1,752,000, US$2,868,000 and US$1,609,000, respectively. During the year ended December 31, 2023, options were granted on March 31, 2023, June 30, 2023 and September 30, 2023. The estimated fair values of the options granted on those dates are US$529,000, US$332,000, and US$766,000, respectively. During the year ended December 31, 2022, options were granted on each quarter. The estimated fair values of the options granted on those dates are US$1,583,000, US$254,000, US$787,000, US$468,000, respectively.

The share options outstanding at December 31, 2022, 2023 and 2024 and May 31, 2024 (unaudited) and 2025 had a weighted average remaining contractual life of 8.27 years, 7.36 years, 6.77 years, 6.93 years and 6.42 years, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Equity-settled share option scheme of the Target Company (Continued)

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' of the Target Company best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. The inputs into the model were as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
Expected term (years)	5.8-6.0	5.8-6.1	5.1-6.1
Expected volatility	53.0%-55.1%	52.8%-54.3%	54.4%-57.1%
Risk-free rate	1.88%-3.94%	3.66%-4.62%	3.67%-4.27%
Exercise price of common stock	$3.54-$5.46	$6.45-$7.07	$8.55-$9.72
Fair value of common stock	$3.54-$6.45	$6.45-$8.63	$8.55-$16.14
Expected dividend yield	–	–	–

The back-solve method and OPM has been used to estimate the fair value of the RSUs granted during the five months ended May 31, 2025, and key valuation assumptions used in OPM to determine the fair value are the same as the assumptions of evaluating the fair value of redeemable convertible preferred shares as at March 31, 2025 and May 31, 2025.

For the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 (unaudited) and 2025, the Target Group's total share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income in relation to share option granted by the Target Company is US$1,919,000, US$1,313,000, US$786,000, US$469,000 and US$253,000, respectively.

As at May 31, 2025, no RSUs were vested.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Target Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Target Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities *US$'000*	**Financial liabilities at FVTPL** *US$'000*	**Borrowings** *US$'000*	**Other payables** *US$'000*	**Total** *US$'000*
At January 1, 2022	4,201	282,973	788	–	287,962
Financing cash flows	(2,092)	121,268	21,648	(1,112)	139,712
Non-cash changes					
New leases entered	3,208	–	–	–	3,208
Net gain on disposal of lease liabilities	(228)	–	–	–	(228)
Interest expenses	223	–	96	–	319
Transaction costs directly attributable to the issuance of financial liabilities at FVTPL	–	–	–	1,366	1,366

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Lease liabilities *US$'000*	Financial liabilities at FVTPL *US$'000*	Borrowings *US$'000*	Other payables *US$'000*	Total *US$'000*
Loss on changes in fair value of financial liabilities at FVTPL	–	43,257	–	–	43,257
Exchange adjustments	(133)	–	(63)	–	(196)
At December 31, 2022	5,179	447,498	22,469	254	475,400
Financing cash flows	(2,645)	142,165	18,951	(1,405)	157,066
Non-cash changes					
New leases entered	7,348	–	–	–	7,348
Interest expenses	224	–	1,856	–	2,080
Transaction costs directly attributable to the issuance of financial liabilities at FVTPL	–	–	–	1,151	1,151
Loss on changes in fair value of financial liabilities at FVTPL	–	80,448	–	–	80,448
Exchange adjustments	(96)	–	(572)	–	(668)
At December 31, 2023	10,010	670,111	42,704	–	722,825
Financing cash flows	(3,536)	–	(6,402)	(24)	(9,962)
Non-cash changes					
New leases entered	1,341	–	–	–	1,341
Net gain on disposal of lease liabilities	(513)	–	–	–	(513)
Interest expenses	346	–	1,562	749	2,657
Loss on changes in fair value of financial liabilities at FVTPL	–	312,025	–	–	312,025
Deferred issue cost	–	–	–	115	115
Exchange adjustments	(223)	–	(1,291)	–	(1,514)
At December 31, 2024	7,425	982,136	36,573	840	1,026,974
Financing cash flows	(729)	4,130	847	(112)	4,136
Non-cash changes					
Interest expenses	124	–	997	1,216	2,337
Loss on changes in fair value of financial liabilities at FVTPL	–	1,280	–	–	1,280
Deferred issue cost	–	–	–	58	58
Exchange adjustments	68	–	391	–	459
At May 31, 2025	6,888	987,546	38,808	2,002	1,035,244

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Lease liabilities *US$'000*	Financial liabilities at FVTPL *US$'000*	Borrowings *US$'000*	Other payables *US$'000*	Total *US$'000*
(Unaudited)					
At January 1, 2024	10,010	670,111	42,704	–	722,825
Financing cash flows	(1,429)	–	(3,189)	–	(4,618)
Non-cash changes					
Net gain on disposal of lease liabilities	(375)	–	–	–	(375)
Interest expenses	158	–	716	–	874
Loss on changes in fair value of financial liabilities at FVTPL	–	21,865	–	–	21,865
Deferred issue cost	–	–	–	55	55
Exchange adjustments	(36)	–	(157)	–	(193)
At May 31, 2024	8,328	691,976	40,074	55	740,433

34. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to owners of the Target Company through the optimization of the debt and equity balance. The Target Group's overall strategy remains unchanged.

The capital structure of the Target Group consists of net debt, which includes the borrowings, lease liabilities and financial liabilities at FVTPL disclosed in notes 26, 27 and 30 respectively, net of cash and cash equivalents and equity of the Target Group, comprising issued share capital and reserves.

The management of the Target Group reviews the capital structure from time to time. As a part of this review, the management of the Target Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Target Group, the Target Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

The Target Group

	As at December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Financial assets				
Amortised cost	152,064	157,859	92,326	78,547
FVTOCI	–	–	–	2,317
FVTPL	–	–	1,000	–
	152,064	157,859	93,326	80,864
Financial liabilities				
Amortised cost	116,676	137,519	145,404	148,425
FVTPL	447,498	670,111	982,136	987,546
	564,174	807,630	1,127,540	1,135,971
Lease liabilities	5,179	10,010	7,425	6,888

The Target Company

	As at December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Financial assets				
Amortised cost	164,319	88,667	63,425	64,167
Financial liabilities				
Amortised cost	2,827	2,449	3,233	839
FVTPL	447,498	670,111	982,136	983,351
	450,325	672,560	985,369	984,190

b. Financial risk management objectives and policies

The Target Group's major financial instruments include financial liabilities at FVTPL, trade and other receivables and prepayment, cash and cash equivalents, restricted bank balances, time deposits, trade and other payables, other current liabilities, long term payables and borrowings. The Target Company's major financial instruments include financial liabilities at FVTPL, cash and cash equivalents, amounts due from subsidiaries, other receivables and other payables. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Target Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk

The Target Group's activities expose it primarily to the market risks of currency risk, interest rate risk and other price risk. Market risk exposures are further measured by sensitivity analysis. Details of each type of market risks are described as follows:

(i) Currency risk

The Target Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to RMB and US$. The Target Group currently does not have a foreign exchange hedging policy. However, the management of the Target Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Target Company's monetary assets and monetary liabilities are all denominated in the Target Company's functional currency, i.e. US$. The significant carrying amounts of the Target Group's monetary liabilities are all denominated in the functional currencies of the relevant group entities at the end of each reporting period. The carrying amounts of the Target Group's monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the relevant group entities at the end of each reporting period are as follows:

	Liabilities				Assets			
	As at December 31,			At May 31,	As at December 31,			At May 31,
	2022	2023	2024	2025	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
US$	–	–	–	–	14,363	40,746	179	179
RMB	–	–	14,914	15,111	–	2	15,218	453
	–	–	14,914	15,111	14,363	40,748	15,397	632

Sensitivity analysis

The following table details the Target Group's sensitivity to a 10% increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies during the Relevant Periods. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a decrease in loss after taxation where RMB strengthens 10% against the functional currency of the Target Group.

	As at December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Loss (gain) after tax	1,436	4,075	(13)	1,484

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Target Group's fair value interest rate risk mainly relate to fixed rates borrowings and bank balances.

In order to exercise prudent management against interest rate risk, the Target Group continues to review market trends against its business operations and financial position in order to arrange the most effective interest rate risk management tools. The Target Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances and pledged/restricted bank deposits is insignificant because the current market interest rates are relatively low and stable.

(iii) Other price risk

The Target Group is exposed to other price risk arising from redeemable convertible preferred shares which were classified as financial liabilities at FVTPL and bond fund investment which was classified as financial asset as FVTPL. The Target Company is exposed to other price risk arising from redeemable convertible preferred shares which were classified as financial liabilities at FVTPL.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date for financial liabilities at FVTPL.

If the equity value of the Target Group had been changed based on the 5% higher/lower:

- the post-tax loss of the Target Group for the year ended December 31, 2022 would decrease by approximately US$11,214,000 and increase by approximately US$11,214,000;
- the post-tax loss of the Target Group for the year ended December 31, 2023 would decrease by approximately US$17,125,000 and increase by approximately US$17,125,000;
- the post-tax loss of the Target Group for the year ended December 31, 2024 would decrease by approximately US$47,672,000 and increase by approximately US$47,672,000; and
- the post-tax loss of the Target Group for the five months ended May 31, 2025 would decrease by approximately US$39,498,000 and increase by approximately US$39,498,000.

Credit risk and impairment assessment

Credit risk refers to the risk that the Target Group's counterparties default on their contractual obligations resulting in financial losses to the Target Group. The Target Group's credit risk exposures are primarily attributable to trade and other receivables and prepayment, financial asset at FVTPL, time deposits, cash and cash equivalents and restricted bank balances. The Target Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Except for financial asset at FVTPL, the Target Group performed impairment assessment for trade and other receivables and prepayment, cash and cash equivalents and restricted bank balances and time deposits under ECL model. Information about the Target Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Financial asset at FVTPL

The investment in unrated bond fund has to be approved by the Board of the directors of the Target Group. Details of the terms of the investment is disclosed in note 22. The fair value and principal amount of the bond fund are US$1,000,000 and US$1,000,000, respectively at December 31, 2024.

Trade receivables

In order to minimise the credit risk, the management of the Target Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Target Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Target Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In addition, the Target Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Target Group considers that the Target Group's credit risk is significantly reduced.

The Target Group has concentration of credit risk as 88.63%, 77.37%, 72.97% and 74.46% of the total trade receivables was due from the Target Group's largest customer at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively. The Target Group has concentration of credit risk as 95.07%, 88.76%, 80.62% and 81.35% of the total trade receivables was due from the Target Group's five largest customers at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively.

In addition to the measures described above, the Target Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Target Group determines the ECL on these items on an individual basis for customer with significant outstanding balance and credit-impaired and the remaining is estimated collectively by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

At December 31, 2022, 2023 and 2024 and May 31, 2025, trade receivables with significant outstanding balances and with aggregate gross carrying amount of US$33,457,000, US$24,911,000, US$23,311,000 and US$28,323,000, respectively, are assessed individually. At December 31, 2022, 2023 and 2024 and May 31, 2025, trade receivables with credit-impaired balances and with aggregate gross carrying amount of nil, nil, US$1,244,000 and US$947,000, respectively, are assessed individually. The remaining trade receivables are grouped based on aging of outstanding balances. Impairment of US$13,000, US$153,000, US$1,407,000 and US$1,193,000 are recognized during the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited), Impairment of US$154,000 is reversed during the five months ended May 31, 2025. respectively. Details of the quantitative disclosures are set out below in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Cash and cash equivalents, restricted bank balances and time deposits

Credit risk on cash and cash equivalents and restricted bank balances and time deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Target Group assessed 12m ECL for cash and cash equivalents and restricted bank balances and time deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on cash and cash equivalents and restricted bank balances and time deposits is considered to be insignificant and therefore no loss allowance was recognised.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Target Group provided impairment based on 12m ECL. For the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, the Target Group assessed the ECL for other receivables are insignificant and thus no loss allowance is recognised.

The following table shows the Target Group's credit risk grading framework in respect of financial assets:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired	Trade receivables Lifetime ECL – not credit-impaired Other receivables 12m ECL Cash and cash equivalents 12m ECL Restricted bank balances 12m ECL Time deposits 12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Target Group has no realistic prospect of recovery	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables (Continued)

The tables below detail the credit risk exposures of the Target Group's financial assets which are subject to ECL assessment:

December 31, 2022	*Notes*	**Internal credit ratings**	**12m or lifetime ECL**	**Gross carrying amount** *US$'000*
Trade receivables	*21*	Note	Lifetime ECL	37,766
Other receivables	*21*	Performing	12m ECL	387
Other non-current assets	*21*	Performing	12m ECL	648
Restricted bank balances	*24*	Performing	12m ECL	130
Cash and cash equivalents	*24*	Performing	12m ECL	113,133

December 31, 2023	*Notes*	**Internal credit ratings**	**12m or lifetime ECL**	**Gross carrying amount** *US$'000*
Trade receivables	*21*	Note	Lifetime ECL	32,365
Other receivables	*21*	Performing	12m ECL	98
Other non-current assets	*21*	Performing	12m ECL	547
Time deposits	*24*	Performing	12m ECL	16,000
Restricted bank balances	*24*	Performing	12m ECL	1,543
Cash and cash equivalents	*24*	Performing	12m ECL	107,306

December 31, 2024	*Notes*	**Internal credit ratings**	**12m or lifetime ECL**	**Gross carrying amount** *US$'000*
Trade receivables	*21*	Note	Lifetime ECL	31,945
Other receivables	*21*	Performing	12m ECL	8,315
Other non-current assets	*21*	Performing	12m ECL	533
Restricted bank balances	*24*	Performing	12m ECL	8,523
Cash and cash equivalents	*24*	Performing	12m ECL	43,010

May 31, 2025	*Notes*	**Internal credit ratings**	**12m or lifetime ECL**	**Gross carrying amount** *US$'000*
Trade receivables	*21*	Note	Lifetime ECL	38,040
Other receivables	*21*	Performing	12m ECL	9,487
Receivables at FVTOCI	*23*	Performing	12m ECL	2,317
Other non-current assets	*21*	Performing	12m ECL	540
Restricted bank balances	*24*	Performing	12m ECL	8,541
Cash and cash equivalents	*24*	Performing	12m ECL	21,939

Note: For trade receivables, the Target Group applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Target Group determines the ECL on those items on a collective basis, grouped by past due status. The ECL of debtors with credit-impaired with sign of significant financial difficulty of the issuers with gross carrying amounts of nil, nil, US$1,244,000 and US$947,000 at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively, were assessed individually and fully impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – Debtors' aging

As part of the Target Group's credit risk management, the Target Group uses debtors' aging to assess the impairment for its customers because the historical trade receivables collection experience is representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances with gross carrying amounts of US$33,457,000, US$24,911,000, US$23,311,000 and US$28,323,000 at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively, were assessed individually.

Gross carrying amounts as at December 31, 2022

	Weighted average loss rate	**Trade receivables** *US$'000*
Trade receivables aged		
Up to 6 months	–	4,076
6 months to 1 year	5.29%	170
1 to 2 years	9.52%	63
	0.35%	4,309

Gross carrying amounts as at December 31, 2023

	Weighted average loss rate	**Trade receivables** *US$'000*
Trade receivables aged		
Up to 6 months	1.33%	6,102
6 months to 1 year	5.08%	1,299
1 to 2 years	8.33%	12
Over 2 years	48.78%	41
	2.25%	7,454

Gross carrying amounts as at December 31, 2024

	Weighted average loss rate	**Trade receivables** *US$'000*
Trade receivables aged		
Up to 6 months	2.30%	5,617
6 months to 1 year	11.09%	1,343
1 to 2 years	12.33%	430
	4.48%	7,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – Debtors' aging (Continued)

Gross carrying amounts as at May 31, 2025

	Weighted average loss rate	Trade receivables *US$'000*
Trade receivables aged		
Up to 6 months	2.56%	6,409
6 months to 1 year	11.47%	1,168
1 to 2 years	13.26%	1,154
Over 2 years	58.97%	39
	5.40%	8,770

During the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, based on the provision matrix, the Target Group's net impairment loss allowance for trade receivables recognised amounted to US$13,000, US$153,000, US$163,000, US$72,000 and US$143,000, respectively.

Liquidity risk

In the management of the liquidity risk, the Target Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Target Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Target Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Target Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay. The table includes both interest and principal cash flows.

The Target Group

At December 31, 2022	Weighted average effective interest rate	On demand or less than 3 months *US$'000*	3 months to 1 year *US$'000*	1 year to 5 years *US$'000*	Over 5 years *US$'000*	Total undiscounted cash flows *US$'000*	Carrying amount *US$'000*
Trade and other payables	N/A	26,292	67,915	–	–	94,207	94,207
Borrowings	3.71%	8,817	14,083	–	–	22,900	22,469
Lease liabilities	3.99%	678	1,652	3,135	–	5,465	5,179
Financial liabilities at FVTPL	10.00%	–	–	494,398	–	494,398	447,498
		35,787	83,650	497,533	–	616,970	569,353

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At December 31, 2023	Weighted average effective interest rate	On demand or less than 3 months *US$'000*	3 months to 1 year *US$'000*	1 year to 5 years *US$'000*	Over 5 years *US$'000*	Total undiscounted cash flows *US$'000*	Carrying amount *US$'000*
Trade and other payables	N/A	69,072	25,743	–	–	94,815	94,815
Borrowings	3.47%	18,475	23,270	1,867	–	43,612	42,704
Lease liabilities	4.13%	1,036	2,550	7,257	–	10,843	10,010
Financial liabilities at FVTPL	10.00%	–	–	735,519	–	735,519	670,111
		88,583	51,563	744,643	–	884,789	817,640

At December 31, 2024	Weighted average effective interest rate	On demand or less than 3 months *US$'000*	3 months to 1 year *US$'000*	1 year to 5 years *US$'000*	Over 5 years *US$'000*	Total undiscounted cash flows *US$'000*	Carrying amount *US$'000*
Trade and other payables	N/A	54,942	12,538	–	–	67,480	67,480
Borrowings	5.29%	11,110	19,998	7,525	–	38,633	36,573
Other current liabilities	4.67%	3,950	11,849	–	–	15,799	13,784
Long term payables	4.67%	–	–	31,597	–	31,597	27,567
Lease liabilities	4.04%	380	2,583	4,964	–	7,927	7,425
Financial liabilities at FVTPL	10.00%	–	–	1,044,998	–	1,044,998	982,136
		70,382	46,968	1,089,084	–	1,206,434	1,134,965

At May 31, 2025	Weighted average effective interest rate	On demand or less than 3 months *US$'000*	3 months to 1 year *US$'000*	1 year to 5 years *US$'000*	Over 5 years *US$'000*	Total undiscounted cash flows *US$'000*	Carrying amount *US$'000*
Trade and other payables	N/A	51,049	16,672	–	–	67,721	67,721
Borrowings	5.08%	6,552	25,614	9,197	–	41,363	38,808
Other current liabilities	6.91%	–	20,684	–	–	20,684	17,073
Long term payables	6.91%	–	–	28,012	–	28,012	24,823
Lease liabilities	4.04%	758	2,394	4,118	–	7,270	6,888
Financial liabilities at FVTPL	9.99%	–	–	1,044,228	–	1,044,228	987,546
		58,359	65,364	1,085,555	–	1,209,278	1,142,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities (except for those set out below) are determined in accordance with generally accepted pricing models based on the discounted cash flow analysis using prices from observable current market transactions.

(i) Fair value of the Target Group's and the Target Company's financial liability that are measured at fair value on a recurring basis

Some of the Target Group's and the Target Company's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the financial liability are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Target Group

	Fair value							
	As at December 31,			As at May 31	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2022	2023	2024	2025				
	US$'000	*US$'000*	*US$'000*	*US$'000*				
Financial asset:								
Bond fund investment	–	–	1,000	–	Level 2	Cash flow discounted using the expected return based on observable market inputs.	N/A	N/A
Bills receivables	–	–	–	2,317	Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable.	N/A	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Fair value measurements of financial instruments (Continued)

(i) Fair value of the Target Group's and the Target Company's financial liability that are measured at fair value on a recurring basis (Continued)

	Fair value							
	As at December 31,			As at May 31	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2022	2023	2024	2025				
	US$'000	*US$'000*	*US$'000*	*US$'000*				
Financial liability:								
Redeemable convertible preferred shares	447,498	670,111	982,136	983,351	Level 3	Back-solved method and OPM – the key inputs include time to liquidity, risk-free interest rate, volatility and dividend yield	IPO/redemption/ liquidation probability, risk-free rate, expected volatility, DLOM – discount of lack of marketability	The higher IPO probability, the higher the fair value; The lower risk-free rate, the higher the fair value; The higher of expected volatility, the higher the fair value; The higher DLOM, the lower the fair value
Redeemable preferred equity	–	–	–	4,195	Level 3	Back-solved method and OPM – the key inputs include time to liquidity, risk-free interest rate, volatility and dividend yield	IPO/redemption/ liquidation probability, risk-free rate, expected volatility, DLOM – discount of lack of marketability	The higher IPO probability, the higher the fair value; The lower risk-free rate, the higher the fair value; The higher of expected volatility, the higher the fair value; The higher DLOM, the lower the fair value

Fair value of redeemable convertible preferred shares which were classified as financial liabilities at FVTPL is affected by the changes in equity value of the Target Company. Fair value of redeemable preferred equity which were classified as financial liabilities at FVTPL is affected by the changes in equity value of the Tudatong Pinghu. The sensitivity analysis of changes in equity value is disclosed in other price risk within note 35.

There were no transfers between different levels during the Relevant Periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurements

The reconciliation of Level 3 measurements of redeemable convertible preferred shares are set out in note 30. The fair value changes are recorded in fair value changes of financial liabilities at FVTPL.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Target Company consider that the carrying amount of the Target Group's and the Target Company's financial liability recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

36. RELATED PARTY DISCLOSURES

Balances and transactions between the Target Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The Target Company's amounts due from subsidiaries were non-trading in nature, unsecured, interest-bearing and repayable on demand.

The relationship between the Target Group and related parties are as follow:

Company Name	**The relationship with the Target Company**
Dr. Bao Junwei	CEO of the Target Group

Trading Transactions

During the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, group entities have no transactions with related parties who are not members of the Target Group.

During the three years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 (unaudited) and 2025, the Target Company entered into the following transactions with related parties.

Interest income

	Year ended December 31,			Five months ended May 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Tudatong (Suzhou) Co., Ltd.	1,359	2,618	–	–	–
Innovusion Hong Kong Ltd.	1,303	1,441	1,445	359	596
	2,662	4,059	1,445	359	596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36. RELATED PARTY DISCLOSURES (CONTINUED)

Trading Transactions (Continued)

The following amounts were outstanding at the reporting date:

Amounts due from subsidiaries

	Trade Nature	At December 31, 2022	2023	2024	At May 31, 2025
		US$'000	*US$'000*	*US$'000*	*US$'000*
Innovusion Hong Kong Ltd.	Long-term Loan	29,000	29,000	29,000	29,000
Innovusion Hong Kong Ltd.	Short-term Loan	30,000	30,000	30,000	30,000
Innovusion Hong Kong Ltd.	Interest Receivable	1,303	2,745	4,190	4,786
Tudatong (Suzhou) Co., Ltd.	Long-term Loan	70,000	–	–	–
Tudatong (Suzhou) Co., Ltd.	Interest Receivable	1,359	–	–	–
		131,662	61,745	63,190	63,786

Amounts due to subsidiaries

	Trade Nature	At December 31, 2022	2023	2024	At May 31, 2025
		US$'000	*US$'000*	*US$'000*	*US$'000*
Tudatong (Suzhou) Co., Ltd.	Disbursement fees	504	–	634	–
		504	–	634	–

Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel

The remuneration of the directors of the Target Company and other members of key management of the Target Group during the Relevant Periods were as follows:

The emoluments of these employees are within the following bands:

	Year ended December 31, 2022	2023	2024	Five months ended May 31, 2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000 (unaudited)*	*US$'000*
Salaries and other benefits	2,191	2,267	1,635	751	793
Retirement benefit scheme contributions	87	123	127	66	62
Discretionary performance related bonus *(note)*	575	961	279	143	–
Share-based payment expenses	1,304	484	17	204	249
	4,157	3,835	2,058	1,164	1,104

Note: Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Target Group and the Target Group's performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. FINANCIAL INFORMATION OF THE TARGET COMPANY

Investments in subsidiaries

	As at December 31,			At May 31,
	2022	2023	2024	2025
	US$'000	*US$'000*	*US$'000*	*US$'000*
Cost of investments, unlisted	145,037	368,290	392,288	389,189

Movements of the Target Company's reserves

	Share premium	Share-based payment reserve	Accumulated losses	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
At January 1, 2022	9,167	2,345	(107,888)	(96,376)
Loss for the year	–	–	(46,697)	(46,697)
Exercise of share options and vesting of early exercised stock options *(note 32)*	275	(101)	–	174
Recognition of equity-settled share-based payment *(note 32)*	–	1,919	–	1,919
At December 31, 2022	9,442	4,163	(154,585)	(140,980)
Loss for the year	–	–	(78,079)	(78,079)
Exercise of share options and vesting of early exercised stock options *(note 32)*	195	(51)	–	144
Issuance of common stock of the Target Company *(note 29)*	1,987	–	–	1,987
Recognition of equity-settled share-based payment *(note 32)*	–	1,313	–	1,313
At December 31, 2023	11,624	5,425	(232,664)	(215,615)
Loss for the year	–	–	(314,767)	(314,767)
Vesting of early exercised stock options *(note 32)*	43	–	–	43
Issuance of common stock upon exercise of common stock warrants *(note 29)*	–*	–	–	–*
Recognition of equity-settled share-based payment *(note 32)*	–	786	–	786
At December 31, 2024	11,667	6,211	(547,431)	(529,553)
Loss for the period	–	–	(1,383)	(1,383)
Exercise of share options and vesting of early exercised stock options *(note 32)*	71	(61)	–	10
Recognition of equity-settled share-based payment *(note 32)*	–	253	–	253
At May 31, 2025	11,738	6,403	(548,814)	(530,673)

* Amount less than US$1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Target Company at the end of the reporting period are set out below.

Name of subsidiaries	Principal place of operation and incorporation/ establishment, date of incorporation/ establishment	Paid-in capital	Shareholding/equity interest attributable to the Target Group					Principal activities	*Notes*
			2022	As at December 31, 2023	2024	As at May 31, 2025	As at the date of this report		
Seyond Inc.	USA November 14, 2016	Issued and fully paid share capital of US$1	100%	100%	100%	100%	100%	Technology development and sales of LiDAR related materials and services	*a*
Seyond Europe GmbH	Germany April 1, 2022	Issued and fully paid share capital of EUR250,000	100%	100%	100%	100%	100%	Marketing Services	*a*
Innovusion Ireland Limited	Ireland December 15, 2016	Issued and fully paid share capital of EUR1	100%	100%	100%	100%	100%	No material activities	*a*
Innovusion Hong Kong Ltd.	Hong Kong May 17, 2018	Issued and fully paid share capital of HK$10,000	100%	100%	100%	100%	100%	Investment holding	*g*
Tudatong (Shanghai) Co., Ltd. 圖達通智能科技(上海)有限公司	The PRC May 28, 2020	Register capital of US$20,000,000 Paid up capital of US$4,799,970, US$4,799,970, US$4,799,970 and US$4,799,970 in 2022, 2023, 2024 and 2025	100%	100%	100%	100%	100%	Technology development	*b*
Tudatong (Wuhan) Co., Ltd. 圖達通智能科技(武漢)有限公司	The PRC May 15, 2020	Register capital of US$37,440,000 Paid up capital of US$20,440,000, US$20,440,000, US$20,440,000 and US$20,440,000 in 2022, 2023, 2024 and 2025	100%	100%	100%	100%	100%	Manufacturing LiDAR products	*c*
Tudatong (Wuxi) Co., Ltd. 圖達通智能科技(無錫)有限公司	The PRC February 24, 2023	Register capital of US$250,000,000 Paid up capital of nil, US$20,000,000, US$50,000,000 and US$50,000,000 in 2022, 2023, 2024 and 2025	N/A	100%	100%	100%	100%	Research development of LiDAR products	*d*
Tudatong (Pinghu) Co., Ltd. 圖達通智能科技(平湖)有限公司	The PRC June 15, 2023	Register capital of US$85,000,000 Paid up capital of nil, US$30,000,000, US$50,000,000 and US$69,178,621 in 2022, 2023, 2024 and 2025	N/A	100%	100%	95%	95%	Manufacturing LiDAR products	*d*
Tudatong (Deqing) Co., Ltd. 圖達通智能科技(德清)有限公司	The PRC March 30, 2023	Register capital of US$100,000,000 Paid up capital of nil, US$37,000,000, US$37,000,000 and US$37,000,000 in 2022, 2023, 2024 and 2025	N/A	100%	100%	100%	100%	Manufacturing LiDAR products	*e*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal place of operation and incorporation/ establishment, date of incorporation/ establishment	Paid-in capital	Shareholding/equity interest attributable to the Target Group					Principal activities	Notes
				As at December 31,		As at May 31,	As at the date of this report		
			2022	2023	2024	2025			
Tudatong (Chongqing) Co., Ltd. 圖達通智能科技(重慶)有限公司	The PRC December 13, 2023	Register capital of US$50,000,000 Paid up capital of nil, US$20,000,000, US$20,000,000 and US$20,000,000 in 2022, 2023, 2024 and 2025	N/A	100%	100%	100%	100%	No material activities	*a*
Tudatong (Suzhou) Co., Ltd. 圖達通智能科技(蘇州)有限公司	The PRC January 10, 2019	Register capital of US$183,000,000 Paid up capital of US$49,999,850, US$144,266,443, US$144,266,443 and US$144,266,443 in 2022, 2023, 2024 and 2025	100%	100%	100%	100%	100%	Manufacturing and sales of LiDAR related materials	*b*
Tudatong (Ningbo) Co., Ltd. 圖達通智能科技(寧波)有限公司	The PRC December 31, 2021	Register capital of RMB50,000,000 Paid up capital of RMB17,166,400, RMB17,166,400, RMB17,166,400 and RMB17,166,400 in 2022, 2023, 2024 and 2025	100%	100%	100%	100%	100%	Manufacturing LiDAR products	*f*
Ruizhi Zhixing Technologies (Beijing) Co., Ltd. 睿知智行科技(北京)有限公司	The PRC July 29, 2021	Register capital of RMB2,000,000 Paid up capital of RMB2,500,000, RMB2,500,000, RMB2,500,000 and RMB2,500,000 in 2022, 2023, 2024 and 2025	100%	N/A	N/A	N/A	N/A	No material activities	*a*
Shanghai Jizhi Ruijian Technologies Co., Ltd. 上海激智睿見智能科技有限公司	The PRC July 23, 2021	Register capital of RMB2,000,000 Paid up capital of RMB500,000, RMB510,000, RMB510,000 and RMB510,000 in 2022, 2023, 2024 and 2025	100%	100%	100%	100%	100%	Technology services	*a*
Granitic Capital Limited	Hong Kong January 3, 2023	Issued and fully paid share capital of HK$10,000	N/A	100%	100%	100%	100%	Investment holding	*g*
Deqing Detong Enterprise Management Ltd. 德清德通企業管理有限公司	The PRC March 13, 2023	Register capital of US$1,000,000 No paid up capital	N/A	100%	100%	100%	100%	Investment company	*a*
Jizhi Ruijian Technology (Huangshan) Co., Ltd. 激智睿見智能科技(黃山)有限公司	The PRC February 7, 2025	Register capital of US$10,000,000 No paid up capital	N/A	N/A	N/A	100%	100%	No material activities	*a*

Notes:

(a) No audited statutory financial statements were prepared for these entities for the years ended December 31, 2022, 2023 and 2024 as there are no statutory audit requirements.

(b) The financial statements of Tudatong (Shanghai) Co., Ltd. and Tudatong (Suzhou) Co., Ltd. for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Suzhou Genhood Certified Public Accountants Co., Ltd.* (蘇州君和誠信會計師事務所).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. PARTICULARS OF SUBSIDIARIES (CONTINUED)

(c) The financial statements of Tudatong (Wuhan) Co., Ltd. for the year ended December 31, 2023 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Suzhou Genhood Certified Public Accountants Co., Ltd.* (蘇州君和誠信會計師事務所).

(d) The financial statements of Tudatong (Wuxi) Co., Ltd. and Tudatong (Pinghu) Co., Ltd. for the year ended December 31, 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Suzhou Genhood Certified Public Accountants Co., Ltd.* (蘇州君和誠信會計師事務所).

(e) The financial statements of Tudatong (Deqing) Co., Ltd. for the year ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Suzhou Genhood Certified Public Accountants Co., Ltd.* (蘇州君和誠信會計師事務所).

(f) The financial statements of Tudatong (Ningbo) Co., Ltd. for the year ended December 31, 2022 and 2023 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Suzhou Genhood Certified Public Accountants Co., Ltd.* (蘇州君和誠信會計師事務所).

(g) The financial statements of these entities for the years ended December 31, 2022, 2023 and 2024, if applicable, have not been issued as of the date of this report.

* English name is for identification purpose only.

39. RETIREMENT BENEFIT SCHEMES

For the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 (unaudited) and 2025, the total amount provided by the Target Group to the scheme or plans in the PRC and charged to profit or loss are US$4,958,000, US$8,260,000, US$7,660,000, US$4,030,000 and US$2,735,000, respectively.

The employees of the Target Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries in the PRC are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Group, the Target Company or any of its subsidiaries have been prepared in respect of any period subsequent to May 31, 2025 and up to the date of this report.

41. CONTINGENCY

On June 20, 2024, the Target Company received an arbitration request from a financial advisor for financial advisory fees and disbursements in connection with historical financing activities. As the potential outcome cannot be reasonably estimated at this moment, no contingent liability was recognized as at May 31, 2025. The Target Company does not believe the defendant has a merit, and will closely monitor the progress of the case and record a liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

42. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Target Group after May 31, 2025 and up to the date of issuance of this Historical Financial Information.

I. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TECHSTAR FOR THE PERIOD FROM APRIL 11, 2022 TO DECEMBER 31, 2022, THE YEAR ENDED DECEMBER 31, 2023 AND THE YEAR ENDED DECEMBER 31, 2024 AND THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2025

The financial information of TechStar for the period from April 11, 2022 (being the date of incorporation of TechStar) to December 31, 2022, the year ended December 31, 2023, the year ended December 31, 2024 and the six months ended 30 June 2025 were disclosed in the independent auditors' report for the period from April 11, 2022 to December 31, 2022 on pages 58 to 91 of the annual report of TechStar for the year ended December 31, 2022 ("**2022 Annual Report**"), the independent auditors' report for the year ended December 31, 2023 on pages 60 to 89 of the annual report of TechStar for the year ended December 31, 2023 (the "**2023 Annual Report**"), the independent auditors' report for the year ended December 31, 2024 on pages 66 to 93 of the annual report of TechStar for the year ended December 31, 2024 (the "**2024 Annual Report**") and the interim report of TechStar for the six months ended 30 June 2025 (the "**2025 Interim Report of TechStar**"), which were published on the websites of the Stock Exchange and TechStar. Please refer to the hyperlinks below:

The 2022 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800083.pdf

The 2023 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900122.pdf

The 2024 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0401/2025040103795.pdf

The 2025 Interim Report of TechStar:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0922/2025092200368.pdf

II. MANAGEMENT DISCUSSION AND ANALYSIS OF HISTORICAL RESULTS OF OPERATIONS

During the period from April 11, 2022 (being the date of incorporation of TechStar) to December 31, 2022, the year ended December 31, 2023 and the year ended December 31, 2024, TechStar did not engage in any substantial operations and did not generate any revenue. The management discussion and analysis of TechStar's results for that period/year were set out in the "Management Discussion and Analysis" section on pages 3 to 6 of the 2022 Annual Report, the "Management Discussion and Analysis" section on pages 3 to 6 of the 2023 Annual Report, the "Management Discussion and Analysis" section on pages 3 to 6 of the 2024 Annual Report, and the "Management Discussion and Analysis" section on pages 4 to 7 of the 2025 Interim Report, respectively, which provide further information relating to the financial condition and results of TechStar during that period/year. The information therein speaks as of the date they were originally published. TechStar's prospects and intentions will have changed since that date, and the reader should therefore not place undue reliance on this information, particularly the information consisting of or relating to forward-looking or future statements.

III. MATERIAL CHANGE

The Directors of TechStar confirm that, save with respect to the De-SPAC Transaction, there had been no material change in the financial or trading position or outlook of TechStar since June 30, 2025 (being the date to which the last unaudited financial statements of TechStar were prepared as set out in this appendix to this circular) up to and including the Latest Practicable Date.

IV. LIQUIDITY AND INDEBTEDNESS DISCLOSURE

The following table sets forth TechStar's current assets and liabilities as of the dates indicated.

	As of December 31, 2022	As of December 31, 2023	As of December 31, 2024	As of June 30, 2025
		HK$'000		
				(unaudited)
Current asset				
Restricted bank deposit	–	–	1,104,112	1,124,869
Cash and cash equivalents	39,921	2,804	2,070	243
Total current assets	**39,921**	**2,804**	**1,106,182**	**1,125,112**
Current Liabilities				
Accruals and other payables	67,444	91,210	141,212	159,055
Amount due to a promoter	788	–	2,750	5,000
Redeemable Class A shares	1,001,000	1,001,000	1,001,000	1,001,000
Warrant liabilities	1,502	2,503	2,503	14,265
Total current liabilities	**1,070,734**	**1,094,713**	**1,147,465**	**1,179,320**
Net current liabilities	**(1,030,813)**	**(1,091,909)**	**(41,283)**	**(54,208)**

TechStar expects its primary liquidity requirements prior to the completion of the De-SPAC Transaction to include general working capital needs and expense relating to the De-SPAC Transaction. TechStar intends to satisfy its liquidity requirements primarily by utilizing (i) proceeds from the sale of the TechStar Promoter Warrants and the issuance of TechStar Class B Shares (which are held outside of the Escrow Account), and (ii) a loan facility that TechStar (as borrower) entered into on December 15, 2022 which provides TechStar with a working capital credit line of up to HK$10.0 million that could be drawn down to finance TechStar's expenses.

The following table sets forth the details of TechStar's indebtedness as of the dates indicated.

	As of December 31, 2022	As of December 31, 2023	As of December 31, 2024	As of June 30, 2025	As of September 30, 2025
			HK$'000		
				(unaudited)	*(unaudited)*
Current Liabilities					
Redeemable Class A shares	1,001,000	1,001,000	1,001,000	1,001,000	1,001,000
Warrant liabilities	1,502	2,503	2,503	14,265	14,265
Total	**(1,002,502)**	**(1,003,503)**	**(1,003,503)**	**(1,015,265)**	**(1,015,265)**

As of September 30, 2025, HK$5.0 million had been drawn down under the HK$10.0 million loan facility, and TechStar did not have other borrowings.

Except as disclosed above, as of September 30, 2025, TechStar did not have any material debt securities, term loans, mortgages, charges, contingent liabilities or guarantees.

A. BASIS OF PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

The unaudited pro forma financial information presented below is prepared to illustrate (a) the consolidated financial position of the Successor Group (as defined in the Circular) as if the De-SPAC Transaction had been completed on May 31, 2025; (b) the consolidated results and cash flows of the Successor Group as if the De-SPAC Transaction had been completed on January 1, 2024; and (c) the consolidated net tangible assets of the Successor Group attributable to the owners of the Successor Company as if the De-SPAC Transaction had been completed on May 31, 2025. These periods are presented on the basis that the Target Company is the accounting acquirer.

The unaudited pro forma consolidated financial information of the Successor Group is presented in United states dollar ("US$") and has been prepared for illustrative purposes only and is based on certain assumptions, estimates and currently available information. Because of its hypothetical nature, it may not give a true picture of the consolidated financial position of the Successor Group as at May 31, 2025 or the consolidated results and cash flows of the Successor Group for the year ended December 31, 2024 had the De-SPAC Transaction been completed as at the specified dates or any other dates.

The pro forma financial information is prepared based on the statement of financial position of TechStar Acquisition Corporation ("TechStar") as at June 30, 2025 as set out in the interim report of TechStar for the six months ended June 30, 2025 which was published on September 22, 2025 and the statement of profit or loss and other comprehensive income and the statement of cash flows of TechStar for the year ended December 31, 2024 as set out in the annual report of TechStar for the year ended December 31, 2024 which was published on April 1, 2025 and the consolidated statement of financial position of Seyond Holdings Group (the "Target Company") and its subsidiaries (hereinafter collectively referred to as the "Target Group") as at May 31, 2025, the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Target Group for the year ended December 31, 2024 extracted from the accountants' report of the Target Group as set out in Appendix I of this Circular after giving effect to the pro forma adjustments described in the accompanying notes which are directly attributable to the De-SPAC Transaction and factually supportable and were prepared in accordance with Rules 4.29 and 14.69(4)(a)(ii) of the Listing Rules.

Subsequent to June 30, 2025, no material transactions has occurred to TechStar that may have a significant financial impact on the Successor Group.

The pro forma financial information is prepared assuming (i) the Capital Restructuring (as defined in this Circular and detailed in the paragraph headed "History, Development and Corporate Structure of the Target Group" of this Circular) is completed, (ii) no TechStar Class A Shareholders exercise their appraisal right, (iii) 55,130,000 Successor Company Shares (subject to adjustments) are issued to the PIPE Investors pursuant to the PIPE Investment Agreements, (iv) there is no Permitted Equity Financing can be fulfilled, (v) the fair value change of TechStar Listed Warrants is immaterial during the periods presented, and (vi) no other outstanding and vested equity settled share options of the Target Group would be exercised. In addition, the unaudited pro forma financial information presents two redemption scenarios as set out below.

- **Assuming no Redemptions (Scenario I):** This presentation assumes that no TechStar Class A Shareholders exercise their rights to redeem any of their shares of TechStar Class A Shares and thus the full amount held in the Escrow Account at Closing is available to the De-SPAC Transaction.

- **Assuming maximum Redemptions (Scenario II):** This presentation assumes that 100,100,000 shares of TechStar Class A Shares are redeemed, which represents the maximum amount of redemption. The Scenario II is prepared based on the same assumptions under Scenario I, with additional adjustments to reflect the effect of maximum redemptions.

The unaudited pro forma financial information should be read in conjunction with:

- the accompanying notes to the unaudited pro forma financial information;

- the Historical Financial Information of the Target Group as of May 31, 2025 and for the year ended December 31, 2024, and the related notes thereto, as set out in Appendix I to this Circular;

- the audited financial statements of TechStar for the year ended December 31, 2024, and the related notes thereto, as set out in the annual report of TechStar for the year ended December 31, 2024 which was published on April 1, 2025;

- the unaudited condensed financial statements of TechStar as of June 30, 2025, and the related notes thereto, as set out in the interim report of TechStar for the six months ended June 30, 2025 which was published on September 22, 2025; and

- the financial information of the De-SPAC Transaction and other financial information included elsewhere in this Circular.

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

(i) Unaudited Pro Forma Consolidated Statement of Financial Position of the Successor Group as at May 31, 2025

	As at June 30, 2025		As at May 31, 2025		Pro forma adjustments					As at May 31, 2025	Pro forma adjustments			As at May 31, 2025
	TechStar (Note 1)		The Target Group (Note 2)	Subtotal						The Successor Group (Scenario I)				The Successor Group (Scenario II)
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(a))	US$'000 (Note 5)	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000	US$'000 (Note 4(a))	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000
NON-CURRENT ASSETS														
Property and equipment	–	–	29,819	29,819	–	–	–	–	–	29,819	–	–	–	29,819
Right-of-use assets	–	–	6,545	6,545	–	–	–	–	–	6,545	–	–	–	6,545
Intangible assets	–	–	2,019	2,019	–	–	–	–	–	2,019	–	–	–	2,019
Other non-current assets	–	–	540	540	–	–	–	–	–	540	–	–	–	540
Restricted bank balances	–	–	8,411	8,411	–	–	–	–	–	8,411	–	–	–	8,411
	–	–	47,334	47,334	–	–	–	–	–	47,334	–	–	–	47,334
CURRENT ASSETS														
Inventories	–	–	22,139	22,139	–	–	–	–	–	22,139	–	–	–	22,139
Trade and other receivables and prepayment	–	–	69,570	69,570	–	(173)	–	–	–	69,397	–	–	–	69,397
Receivables at fair value through other comprehensive income ("FVTOCI")	–	–	2,317	2,317	–	–	–	–	–	2,317	–	–	–	2,317
Restricted bank balances	1,124,869	143,421	130	143,551	–	–	–	(143,421)	–	130	–	–	–	130
Cash and cash equivalents	243	31	21,939	21,970	–	(8,394)	67,128	143,421	–	224,125	4,467	(143,421)	–	85,171
	1,125,112	143,452	116,095	259,547	–	(8,567)	67,128	–	–	318,108	4,467	(143,421)	–	179,154

	As at June 30, 2025		As at May 31, 2025 The Target Group		Pro forma adjustments				As at May 31, 2025 The Successor Group	Pro forma adjustments			As at May 31, 2025 The Successor Group
	TechStar (Note 1)		(Note 2)	Subtotal									
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(a))	US$'000 (Note 5)	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000	US$'000 (Note 4(a))	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000 (Scenario II)
CURRENT LIABILITIES														
Trade and other payables	–	–	77,060	77,060	–	(836)	–	–	–	76,224	–	–	–	76,224
Accruals and other payables	159,055	20,279	–	20,279	–	(4,467)	–	(15,793)	–	19	–	–	–	19
Amounts due to promoters	5,000	638	–	638	–	(638)	–	–	–	–	–	–	–	–
Borrowings	–	–	30,458	30,458	–	–	–	–	–	30,458	–	–	–	30,458
Lease liabilities	–	–	2,930	2,930	–	–	–	–	–	2,930	–	–	–	2,930
Warranty liabilities	–	–	2,506	2,506	–	–	–	–	–	2,506	–	–	–	2,506
Other current liabilities	–	–	17,073	17,073	–	–	–	–	–	17,073	–	–	–	17,073
Contract liabilities	–	–	134	134	–	–	–	–	–	134	–	–	–	134
Redeemable Class A shares	1,001,000	127,628	–	127,628	–	–	–	(127,628)	–	–	–	–	–	–
Warrant liabilities	14,265	1,819	–	1,819	–	–	–	–	–	1,819	–	–	–	1,819
	1,179,320	150,364	130,161	280,525	–	(5,941)	–	(143,421)	–	131,163	–	–	–	131,163
NET CURRENT (LIABILITIES)/ASSETS	(54,208)	(6,912)	(14,066)	(20,978)	–	(2,626)	67,128	143,421	–	186,945	4,467	(143,421)	–	47,991
TOTAL ASSETS LESS CURRENT LIABILITIES	(54,208)	(6,912)	33,268	26,356	–	(2,626)	67,128	143,421	–	234,279	4,467	(143,421)	–	95,325
CAPITAL AND RESERVES														
Share capital	3	–*	13	13	48	–	55	–	1,244	1,360	–	–	(110)	1,250
Treasury shares	–	–	(1)	(1)	–	–	–	–	–	(1)	–	–	–	(1)
Share premium	–	–	11,738	11,738	983,303	(315)	67,073	8,750	–	1,070,549	(15)	(8,750)	–	1,061,784
Reserves	(54,211)	(6,912)	(1,004,790)	(1,011,702)	–	(2,311)	–	127,276	(1,244)	(887,981)	4,482	(134,671)	110	(1,018,060)

	As at June 30, 2025		As at May 31, 2025 The Target Group		Pro forma adjustments				As at May 31, 2025 The Successor Group	Pro forma adjustments			As at May 31, 2025 The Successor Group
	TechStar (Note 1)		(Note 2)	Subtotal					(Scenario I)				(Scenario II)
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(a))	US$'000 (Note 5)	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000	US$'000 (Note 4(a))	US$'000 (Note 6(a))	US$'000 (Note 7)	US$'000
Equity attributable to owners of TechStar/ the Target Company/ the Successor Company	(54,208)	(6,912)	(993,040)	(999,952)	983,351	(2,626)	67,128	136,026	-	183,927	4,467	(143,421)	-	44,973
TOTAL (DEFICIT)/EQUITY	(54,208)	(6,912)	(993,040)	(999,952)	983,351	(2,626)	67,128	136,026	-	183,927	4,467	(143,421)	-	44,973
NON-CURRENT LIABILITIES														
Borrowings	-	-	8,350	8,350	-	-	-	-	-	8,350	-	-	-	8,350
Long term payables	-	-	24,823	24,823	-	-	-	-	-	24,823	-	-	-	24,823
Lease liabilities	-	-	3,958	3,958	-	-	-	-	-	3,958	-	-	-	3,958
Financial liabilities at FVTPL	-	-	987,546	987,546	(983,351)	-	-	7,395	-	11,590	-	-	-	11,590
Warranty liabilities	-	-	1,631	1,631	-	-	-	-	-	1,631	-	-	-	1,631
	-	-	1,026,308	1,026,308	(983,351)	-	-	7,395	-	50,352	-	-	-	50,352
	(54,208)	(6,912)	33,268	26,356	-	(2,626)	67,128	143,421	-	234,279	4,467	(143,421)	-	95,325

* Amount less than 1,000.

(ii) Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Successor Group for the year ended December 31, 2024

	For the year ended December 31, 2024				Pro forma adjustments				For the year ended December 31, 2024 The Successor Group (Scenario I)	Pro forma adjustments		For the year ended December 31, 2024 The Successor Group (Scenario II)
	TechStar (Note 1)		The Target Group (Note 2)	Subtotal								
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	US$'000	US$'000 (Note 4(b))	US$'000 (Note 6(a))	US$'000
Revenue	–	–	159,575	159,575	–	–	–	–	159,575	–	–	159,575
Cost of sales	–	–	(173,481)	(173,481)	–	–	–	–	(173,481)	–	–	(173,481)
Gross loss	–	–	(13,906)	(13,906)	–	–	–	–	(13,906)	–	–	(13,906)
Other income	2	–*	2,458	2,458	–	–	–	–	2,458	–	–	2,458
Other gains and losses	–	–	(262)	(262)	–	(47)	474	951	1,116	–	(951)	165
Selling and marketing expenses	–	–	(8,213)	(8,213)	–	–	–	(304)	(8,517)	–	–	(8,517)
Administrative expenses	(99,865)	(12,813)	(21,357)	(34,170)	–	–	–	(17,893)	(52,063)	–	–	(52,063)
Research and development expenses	–	–	(36,958)	(36,958)	–	–	–	(1,402)	(38,360)	–	–	(38,360)
Net impairment losses under expected credit loss ("ECL") model	–	–	(1,625)	(1,625)	–	–	–	–	(1,625)	–	–	(1,625)
Fair value changes of financial liabilities at fair value through profit or loss ("FVTPL")	–	–	(312,025)	(312,025)	312,025	–	–	–	–	–	–	–
Change in fair value of warrant liabilities	–	–	–	–	–	–	–	(4,251)	(4,251)	–	–	(4,251)
Professional fees and expenses related to De-SPAC Transaction	–	–	(2,485)	(2,485)	–	(3,587)	–	(52,088)	(58,160)	15	17,284	(40,861)
Other expenses	–	–	(424)	(424)	–	–	–	–	(424)	–	–	(424)
Finance costs	–	–	(2,657)	(2,657)	–	–	–	–	(2,657)	–	–	(2,657)

	For the year ended December 31, 2024					Pro forma adjustments			For the year ended December 31, 2024	Pro forma adjustments		For the year ended December 31, 2024
	TechStar (Note 1)		The Target Group (Note 2)	Subtotal					The Successor Group (Scenario I)			The Successor Group (Scenario II)
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	US$'000	US$'000 (Note 4(b))	US$'000 (Note 6(a))	US$'000
(Loss)/Profit before tax	(99,863)	(12,813)	(397,454)	(410,267)	312,025	(3,634)	474	(74,987)	(176,389)	15	16,333	(160,041)
Income tax expense	–	–	(741)	(741)	–	–	–	–	(741)	–	–	(741)
(Loss)/Profit for the year	(99,863)	(12,813)	(398,195)	(411,008)	312,025	(3,634)	474	(74,987)	(177,130)	15	16,333	(160,782)
Other comprehensive expense												
Item that may be reclassified to profit or loss:												
Exchange differences on translation from functional currency to presentation currency	–	–	(34)	(34)	–	–	–	–	(34)	–	–	(34)
Total comprehensive (expense)/income for the year	(99,863)	(12,813)	(398,229)	(411,042)	312,025	(3,634)	474	(74,987)	(177,164)	15	16,333	(160,816)

* Amount less than 1,000.

(iii) Unaudited Pro Forma Consolidated Statement of Cash Flows of the Successor Group for the year ended December 31, 2024

	For the year ended December 31, 2024				Pro forma adjustments				For the year ended December 31, 2024 The Successor Group	Pro forma adjustments		For the year ended December 31, 2024 The Successor Group
	TechStar (Note 1) HK$'000	TechStar (Note 1) US$'000	The Target Group (Note 2) US$'000	Subtotal US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	(Scenario I) US$'000	US$'000 (Note 4(b))	US$'000 (Note 6)	(Scenario II) US$'000
OPERATING ACTIVITIES												
(Loss)/Profit for the year	(99,863)	(12,813)	(398,195)	(411,008)	312,025	(3,634)	474	(74,987)	(177,130)	15	16,333	(160,782)
Adjustments for:												
Depreciation of property and equipment	–	–	5,572	5,572	–	–	–	–	5,572	–	–	5,572
Depreciation of right-of-use assets	–	–	2,779	2,779	–	–	–	–	2,779	–	–	2,779
Amortization of intangible assets	–	–	1,298	1,298	–	–	–	–	1,298	–	–	1,298
Net loss on disposal of property and equipment	–	–	647	647	–	–	–	–	647	–	–	647
Net loss on disposal of intangible assets	–	–	67	67	–	–	–	–	67	–	–	67
Net impairment losses under ECL model	–	–	1,625	1,625	–	–	–	–	1,625	–	–	1,625
Bank interest income	(2)	–*	(1,191)	(1,191)	–	–	–	–	(1,191)	–	–	(1,191)
Write-down of inventories	–	–	1,333	1,333	–	–	–	–	1,333	–	–	1,333
Warranty provision	–	–	2,681	2,681	–	–	–	–	2,681	–	–	2,681
Finance costs	–	–	2,657	2,657	–	–	–	–	2,657	–	–	2,657
Professional fees and expenses related to listing and De-SPAC Transaction	–	–	–	–	–	–	–	52,088	52,088	–	(17,284)	34,804

	For the year ended December 31, 2024				Pro forma adjustments			For the year ended December 31, 2024	Pro forma adjustments		For the year ended December 31, 2024
	TechStar (Note 1) HK$'000	TechStar (Note 1) US$'000	The Target Group (Note 2) US$'000	Subtotal US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	The Successor Group (Scenario I) US$'000	US$'000 (Note 4(b))	US$'000 (Note 6)	The Successor Group (Scenario II) US$'000
Share-based payment expense	94,250	12,092	786	12,878	–	–	–	19,599	32,477	–	–	32,477
Changes in fair value of financial liabilities at FVTPL	–	–	312,025	312,025	(312,025)	–	–	–	–	–	–	–
Change in fair value of warrant liabilities	–	–	–	–	–	–	–	4,251	4,251	–	–	4,251
Gain from changes in fair value of FVTPL	–	–	(119)	(119)	–	–	–	–	(119)	–	–	(119)
Net foreign exchange losses	–	–	(191)	(191)	–	47	(474)	(951)	(1,569)	–	951	(618)
Operating cash flows before movements in working capital	(5,615)	(721)	(68,226)	(68,947)	–	(3,587)	–	–	(72,534)	15	–	(72,519)
Increase in trade and other receivables and prepayment	–	–	(10,223)	(10,223)	–	–	–	–	(10,223)	–	–	(10,223)
Decrease in inventories	–	–	14,682	14,682	–	–	–	–	14,682	–	–	14,682
Increase in other non-current assets	–	–	(192)	(192)	–	–	–	–	(192)	–	–	(192)
Increase (decrease) in trade and other payables	–	–	17,899	17,899	–	(1,962)	–	–	15,937	–	–	15,937
Increase in accruals and other payables	2,129	273	–	273	–	–	–	–	273	–	–	273
Decrease in contract liabilities	–	–	(38)	(38)	–	–	–	–	(38)	–	–	(38)
Decrease in warranty liabilities	–	–	(1,077)	(1,077)	–	–	–	–	(1,077)	–	–	(1,077)
Cash used in operations	(3,486)	(448)	(47,175)	(47,623)	–	(5,549)	–	–	(53,172)	15	–	(53,157)

	For the year ended December 31, 2024				Pro forma adjustments				For the year ended December 31, 2024	Pro forma adjustments		For the year ended December 31, 2024
	TechStar (Note 1) HK$'000	TechStar (Note 1) US$'000	The Target Group (Note 2) US$'000	Subtotal US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	The Successor Group (Scenario I) US$'000	US$'000 (Note 4(b))	US$'000 (Note 6)	The Successor Group (Scenario II) US$'000
Interest received	–	–	1,228	1,228	–	–	–	–	1,228	–	–	1,228
Income tax paid	–	–	(509)	(509)	–	–	–	–	(509)	–	–	(509)
NET CASH USED IN OPERATING ACTIVITIES	(3,486)	(448)	(46,456)	(46,904)	–	(5,549)	–	–	(52,453)	15	–	(52,438)
INVESTING ACTIVITIES												
Purchase of property and equipment	–	–	(14,357)	(14,357)	–	–	–	–	(14,357)	–	–	(14,357)
Purchase of intangible assets	–	–	(984)	(984)	–	–	–	–	(984)	–	–	(984)
Purchase of financial assets at FVTPL	–	–	(6,000)	(6,000)	–	–	–	–	(6,000)	–	–	(6,000)
Withdrawal of financial assets at FVTPL	–	–	5,119	5,119	–	–	–	–	5,119	–	–	5,119
Placement of time deposits	–	–	16,000	16,000	–	–	–	–	16,000	–	–	16,000
Interest received	2	–*	–	–	–	–	–	–	–	–	–	–
Release of restricted cash arising from conversion of redeemable Class A shares	–	–	–	–	–	–	–	135,093	135,093	–	(135,093)	–
Placement of restricted bank deposits for land and facility production use	–	–	(7,000)	(7,000)	–	–	–	–	(7,000)	–	–	(7,000)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	2	–*	(7,222)	(7,222)	–	–	–	135,093	127,871	–	(135,093)	(7,222)

* Amount less than 1,000.

	For the year ended December 31, 2024						Pro forma adjustments			For the year ended December 31, 2024	Pro forma adjustments		For the year ended December 31, 2024
			The Target							The Successor Group			The Successor Group
	TechStar	TechStar	Group	Subtotal						(Scenario I)			(Scenario II)
	(Note 1)	(Note 1)	(Note 2)			(Note 3)	(Note 4(b))	(Note 5)	(Note 6(b))		(Note 4(b))	(Note 6)	
	HK$'000	US$'000	US$'000	US$'000	US$'000		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
FINANCING ACTIVITIES													
Advance from promoters	2,750	352	–	352	–		(352)	–	–	–	–	–	–
Payment of accrued issue costs	–	–	(24)	(24)	–		(291)	–	–	(315)	(15)	–	(330)
Repayment of borrowings	–	–	(60,319)	(60,319)	–		–	–	–	(60,319)	–	–	(60,319)
Repayment of lease liabilities	–	–	(3,190)	(3,190)	–		–	–	–	(3,190)	–	–	(3,190)
Interest paid	–	–	(1,908)	(1,908)	–		–	–	–	(1,908)	–	–	(1,908)
New borrowings raised	–	–	55,479	55,479	–		–	–	–	55,479	–	–	55,479
Payments for deferred underwriting commission of TechStar and De-SPAC Transaction expense	–	–	–	–	–		(4,481)	–	–	(4,481)	4,481	–	–
Proceeds from Escrow Account interest	–	–	–	–	–		–	–	6,166	6,166	–	(6,166)	–
Proceeds from PIPE investors	–	–	–	–	–		–	70,511	–	70,511	–	–	70,511
Payments for the transaction cost relating to PIPE investments	–	–	–	–	–		–	(3,173)	–	(3,173)	–	–	(3,173)

	For the year ended December 31, 2024					Pro forma adjustments			For the year ended December 31, 2024	Pro forma adjustments		For the year ended December 31, 2024
			The Target						The Successor			
	TechStar	TechStar	Group						Group			Group
	(Note 1)	(Note 1)	(Note 2)	Subtotal					(Scenario I)			(Scenario II)
	HK$'000	US$'000	US$'000	US$'000	US$'000 (Note 3)	US$'000 (Note 4(b))	US$'000 (Note 5)	US$'000 (Note 6(b))	US$'000	US$'000 (Note 4(b))	US$'000 (Note 6)	US$'000
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	2,750	352	(9,962)	(9,610)	–	(5,124)	67,338	6,166	58,770	4,466	(6,166)	57,070
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(734)	(96)	(63,640)	(63,736)	–	(10,673)	67,338	141,259	134,188	4,481	(141,259)	(2,590)
CASH AND CASH EQUIVALENTS AT JANUARY 1, 2024	2,804	359	107,306	107,665	–	–	–	–	107,665	–	–	107,665
Effect of foreign exchange rate changes	–	3	(656)	(653)	–	–	–	–	(653)	–	–	(653)
CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2024	2,070	266	43,010	43,276	–	(10,673)	67,338	141,259	241,200	4,481	(141,259)	104,422

C. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

Note 1: The financial information of TechStar is extracted from the annual report of TechStar for the year ended December 31, 2024 which was published on April 1, 2025 and the interim report of Techstar for the six months ended June 30, 2025 which was published on September 22, 2025. The presentation currency of TechStar is HK$. The balances extracted from the statement of financial position of TechStar at June 30, 2025 were translated to US$ at HK$1.00 to US$0.1275, which was the exchange rate prevailing on May 31, 2025 with reference to the exchange rate published by the People's Bank of China. The amounts extracted from the statement of profit or loss and other comprehensive income and statement of cash flows of TechStar for the year ended December 31, 2024 were translated to US$ based on the exchange rate at HK$1.00 to US$0.1283 with reference to the exchange rate published by the People's Bank of China.

Note 2: The financial information of the Target Group is extracted from the accountant's report of the Target Group as set out in Appendix I to this Circular. The functional and presentation currency of the Target Company in Appendix I is US$.

Note 3: The adjustment represents the fair value of 40,805,920 redeemable convertible preferred shares of the Target Company amounting to US$983,351,000 as at May 31, 2025, which would automatically be converted into ordinary shares of the Target Company at par value of US$0.001 per share as part of the De-SPAC Transaction.

Assuming the De-SPAC Transaction had been completed on January 1, 2024, fair value loss amounted to US$312,025,000 is reversed as such preferred shares were converted into equity of the Target Company and no fair value assessment is required.

Note 4: The adjustment represents, the estimated professional fees and expenses of approximately HK$52,503,000 incurred by the Successor Group relating to the De-SPAC Transaction excluding (i) the payment for the deferred underwriting commission accrued by TechStar in the amount of HK$35,035,000 in 2022, (ii) due to promoters in the amount of HK$2,750,000 accrued by TechStar in 2024 and HK$2,250,000 accrued by TechStar in 2025, and (iii) the transaction cost for the PIPE Investment. All of these amounts should be payable upon completion of the De-SPAC Transaction.

(a) Assuming the De-SPAC Transaction had been completed on May 31, 2025 (at the exchange rate of HK$1.00 to US$0.1275)

Under Scenario I, the abovementioned professional fees and expenses are translated into US$6,694,000, TechStar's deferred underwriting fee and amounts due to promoters are translated to US$4,467,000 and US$638,000, respectively. Such expenses and amounts due to promoters are assumed to be fully settled on May 31, 2025, of which US$547,000 and US$328,000 were already paid by the Target Group and TechStar, respectively, in the year ended December 31, 2024, US$2,530,000 was already paid by the Target Group during the five months ended May 31, 2025, resulting in a decrease of cash and cash equivalent amounting to US$8,394,000.

Under Scenario II, the abovementioned professional fees and expenses and amounts due to promoters are translated into US$6,694,000 and US$638,000, respectively, and TechStar's accrued deferred underwriting fee should be reversed against retained earnings. Such expenses and amounts due to promoters are assumed to be fully settled on May 31, 2025, of which US$547,000 and US$328,000 were already paid by the Target Group and TechStar, respectively, in the year ended December 31, 2024, US$2,530,000 was already paid by the Target Group during the five months ended May 31, 2025, resulting in a decrease of cash and cash equivalent amounting to US$3,927,000.

(b) Assuming the De-SPAC Transaction had been completed on January 1, 2024 (at the exchange rate of HK$1.00 to US$0.1279)

Under Scenario I, the abovementioned professional fees and expenses are US$6,715,000, TechStar's deferred underwriting fee and amounts due to promoters are translated to US$4,481,000 and US$352,000. Such expenses and amounts due to promoters are assumed to be fully settled on January 1, 2024, of which US$547,000 and US$328,000 were already paid by the Target Group and TechStar in year ended December 31, 2024, resulting in a decrease of cash and cash equivalent amounting to US$10,673,000. US$3,587,000 is expected to be additionally charged to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and US$200,000 is expected to be accounted for as a deduction from equity upon the consummation of the De-SPAC Transaction.

Under Scenario II, the abovementioned professional fees and expenses are US$6,715,000, TechStar's deferred underwriting fee is reversed, and TechStar's amounts due to promoters are US$352,000. Such expenses and amounts due to promoters are assumed to be fully settled on January 1, 2024, of which US$547,000 and US$328,000 were already paid by the Target Group and TechStar in year ended December 31, 2024, resulting in a decrease of cash and cash equivalent amounting to US$6,192,000. US$3,572,000 is expected to be additionally charged to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and US$215,000 is expected to be accounted for as a deduction from equity upon the consummation of the De-SPAC Transaction.

The De-SPAC Transaction expenses are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

Note 5: The adjustment represents the gross proceeds of HK$551,300,000 (equivalent to US$70,291,000 as at May 31, 2025 or US$70,511,000 as at January 1, 2024) from PIPE Investors and the transaction cost amounting to HK$24,809,000 (equivalent to US$3,163,000 as at May 31, 2025 or US$3,173,000 as at January 1, 2024) in connection with the PIPE Investment. The PIPE Investors would be issued 55,130,000 Successor Company Shares at HK$10.00 per share. For the year ended December 31, 2024, the foreign exchange loss arising from the net proceed of HK$526,491,000 from the PIPE Investment amounts to US$474,000.

Note 6: The adjustment is to illustrate (i) the deemed expenses under IFRS 2 "Share-based Payment" incurred by the Target Company, which is the difference between the fair value of the shares issued by the Target Company in excess of the fair value of the adjusted net assets of TechStar and the warrant liabilities assumed by the Successor Company, (ii) the escrow account interest adjustment of TechStar, and (iii) the share-based compensation adjustment of the Target Group.

Pursuant to the Business Combination Agreement (as defined in this Circular), each TechStar Class B Share will be converted into one fully paid TechStar Class A Share and each TechStar Promoter Warrant would be issued and converted into one Successor Company Promoter Warrant. For the Successor Company Promoter Warrants issued, those warrant holders will not be serving as employees of the Successor Group nor will they provide services to the Successor Group after the De-SPAC Transaction. Therefore, the TechStar Promoter Warrants are assumed by the Successor Company and the Successor Company Promoter Warrants are regarded as part of the De-SPAC Transactions and IAS 32 is applied in accounting for them as financial liability at FVTPL, which results in additional De-SPAC Transaction expense.

It is assumed that no adjustments will be applied to the TechStar Promoter Warrants in achieving 1:1 conversion ratio, as it is on the assumption that the TechStar Contributed Funds (as defined in this Circular) would exceed HK$500 million. A valuation assessment was performed for the purpose of determining the fair value of the promoter warrant liabilities arising from the De-SPAC Transaction at May 31, 2025, December 31, 2024 and January 1, 2024 using binomial option pricing model with key assumptions for: volatility based on peer company data; risk-free rate and spot share price of the Successor Company at HK$10.00 assumed according to the Business Combination Agreement, the PIPE Investment Agreements and the offer price of TechStar Class A shares.

(a) Assuming the De-SPAC Transaction had been completed on May 31, 2025 (at the exchange rate of HK$1.00 to US$0.1275)

The fair value of the Successor Company Promoter Warrants are estimated to be HK$57,998,000 (equivalent to US$7,395,000), as at May 31, 2025, which would result in additional De-SPAC Transaction expense incurred by the Target Company. Such expenses are subject to changes based on valuation. Such warrants should be classified into non-current liabilities because the Successor Company Promoter Warrants are not exercisable until 12 months after the Closing Date as required by the Listing Rules.

Under Scenario I, as no TechStar Class A shares is redeemed, all of the restricted cash amounted to HK$1,124,869,000 (equivalent to US$143,421,000) would be reclassified as cash and cash equivalents of the Successor Group. The accrued interest payable of HK$123,868,000 (equivalent to US$15,793,000) would be reversed as share premium.

Under Scenario II, as all of the TechStar Class A shares with redemption rights are redeemed, all of the restricted cash as well as the accrued interest payable would be repaid to those TechStar Class A Shareholders.

(b) Assuming the De-SPAC Transaction had been completed on January 1, 2024 (at the exchange rate of HK$1.00 to US$0.1279)

Upon the consummation of the De-SPAC Transaction, the conversion right attached to the TechStar Class B Shares and TechStar Promoter Warrants, which were classified as share-based payments of TechStar, would meet the vesting condition, which would result in an additional share-based payment expense of HK$131,676,000 (equivalent to US$16,841,000) as at January 1, 2024 due to an acceleration vesting in accordance with IFRS 2.

Upon the completion of the De-SPAC Transaction, share-based compensation expense of US$304,000, US$1,052,000 and US$1,402,000 would be recognized immediately in selling and marketing expenses, administrative expenses and research and development expenses, respectively, by the Target Group for awards granted to employees in PRC.

The fair value of the Successor Company Promoter Warrants is estimated to be HK$21,489,000 (equivalent to US$2,748,000), as at January 1, 2024, which would result in additional De-SPAC Transaction expense incurred by the Target Company. Fair value gain arising from the fair value change of the Successor Company Promoter Warrants of US$4,251,000 is recognized by the Successor Group in 2024. Such expenses and fair value changes are subject to changes based on valuation.

Under Scenario I, as no TechStar Class A shares are redeemed, all of the restricted cash amounted to HK$1,056,239,000 (equivalent to US$135,093,000) as at January 1, 2024 would be reclassified as cash and cash equivalents of the Successor Group, while under Scenario II, as all of the TechStar Class A shares with redemption rights are redeemed, all of the restricted cash would be repaid to those TechStar Class A Shareholders. For the year ended December 31, 2024, under Scenario I, the foreign exchange gain arising from the translation of cash and cash equivalents of HK$1,056,239,000 amounts to US$951,000.

The calculation of the additional De-SPAC Transaction expense as disclosed in the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Successor Group for the year ended December 31, 2024 under Scenario I and Scenario II are set out below:

Under Scenario I

	Fair value per share of the Successor Company (at January 1, 2024)	TechStar Shares *'000*	Assuming No Redemptions Conversion into Successor Company Shares per conversion ratio as set out in the Circular *'000*	Fair Value *HK$'000*	Fair Value *US$'000*
New Successor Company Shares to be issued in exchange of:					
TechStar Class A Shares	HK$10.00	100,100	110,110	1,101,100	140,831
TechStar Class B Shares	HK$10.00	25,000	25,000	250,000	31,975
Total consideration				1,351,100	172,806
Less: Adjusted net assets of TechStar[#]				(965,330)	(123,466)
Excess of adjusted net assets				385,770	49,340
Add: Warrant liabilities arising from the conversion into Successor Company Promoter Warrants				21,489	2,748
				407,259	52,088

The adjusted net asset of TechStar as at January 1, 2024 in the amount of HK$965,330,000 as set out in the table represents the total of the audited net liabilities of TechStar of HK$35,670,000 as of December 31, 2023 as set out in the annual report of TechStar for the year ended December 31, 2023 which was published on April 19, 2024, and the gross proceeds of the redeemable Class A shares of TechStar of HK$1,001,000,000. Fair value per share of the Successor Company is determined in accordance with the Business Combination Agreement, the PIPE Investment Agreements and the offer price of TechStar Class A shares. The carrying amount of the adjusted net assets of TechStar approximates the fair value of the adjusted net assets of TechStar.

Under Scenario II

		Assuming Maximum Redemptions			
	Fair value per share of the Successor Company (at January 1, 2024)	**TechStar Shares** *'000*	**Conversion into Successor Company Shares per conversion ratio as set out in the Circular** *'000*	**Fair Value** *HK$'000*	**Fair Value** *US$'000*
New Successor Company Shares to be issued in exchange of:					
TechStar Class B Shares	HK$10.00	25,000	25,000	250,000	31,975
Total consideration				250,000	31,975
Add: Adjusted Net liabilities of TechStar[#]				635	81
Excess of net liabilities				250,635	32,056
Add: Warrant liabilities arising from the conversion into Successor Company Promoter Warrants				21,489	2,748
				272,124	34,804

The adjusted net liabilities of TechStar as at January 1, 2024 in the amount of HK$635,000 as set out in the table represents the total of the audited net liabilities of TechStar of HK$35,670,000, deducting accrued deferred underwriting commission of HK$35,035,000, as of December 31, 2023 as set out in the annual report of TechStar for the year ended December 31, 2023 which was published on April 19, 2024. Fair value per share of the Successor Company is determined in accordance with the Business Combination Agreement, the PIPE Investment Agreements and the offer price of TechStar Class A shares. The carrying amount of the adjusted net liabilities of TechStar approximates the fair value of the adjusted net liabilities of TechStar.

Note 7: The adjustment is to illustrate (i) the Capitalization Issue (as defined in this Circular) adjusted by the share options that have not been granted; and (ii) the exchange of shares of TechStar and the Target Company for Successor Share of the Successor Company.

As part of the Capital Restructuring, the Target Company will allot and issue a number of fully paid Target Company Ordinary Shares at par value by way of capitalizing all or any part of any amount for the time being standing to the credit of the share premium account of the Target Company, on a pro rata basis to all Target Company Shareholders then appear on the register of members of the Target Company (subject to rounding as provided in the Business Combination Agreement).

Subsequently, each share of TechStar Class A shares at par value HK$0.0001 per share, each share of TechStar Class B shares at par value HK$0.0001 per share and each share of the Target Company at par value US$0.001 per share would convert into corresponding number of shares of the Successor Company at par value US$0.001 per share. Under Scenario I, as no TechStar Class A Shares is redeemed, an additional aggregate of 10,010,000 Successor Company Shares (calculated by multiplying the aggregate of 100,100,000 TechStar Class A Shares with 0.10 according to the Business Combination Agreement) were taken into account. Under Scenario II, all of the TechStar Class A Shares are redeemed.

The share structure of the Successor Company immediately after Closing in calculating of the adjustment on share capital of the Successor Company as disclosed in the unaudited pro forma consolidated statement of financial position of the Successor Group as at May 31, 2025 under Scenario I and Scenario II are set out below:

	As at May 31, 2025	
	Scenario I	*Scenario II*
Successor Company Shares to be issued in exchange of:		
Target Company Ordinary Shares (as set out in Appendix I to this Circular)	13,287,720	13,287,720
Target Company Preferred Shares (as set out in Appendix I to this Circular)	40,805,920	40,805,920
	54,093,640	54,093,640
Effect of conversion of Target Company Preferred Shares*Note 1*	7,072,189	7,072,189
Effect of capitalization Issue*Note 2*	1,108,834,171	1,108,834,171
	1,170,000,000	1,170,000,000
PIPE Shares	55,130,000	55,130,000
TechStar Class A shares	100,100,000	–
TechStar Class B shares	25,000,000	25,000,000
Bonus Shares as defined in the Circular	10,010,000	–
	1,360,240,000	1,250,130,000
Share capital in US$ in thousands (par value US$0.001 per share)	1,360	1,250

Note 1 The conversion of Target Company Preferred Shares of 7,072,189 shares is to adjust Series A preferred share that is issued and outstanding immediately prior to the Effective Time will be converted into Target Company Ordinary Shares on a 1:3.57929 basis in accordance with the Target Company Articles, as set out in the sections headed "History, Development and Corporate structure of the Target Group" and "Letter from TechStar Board" of the Circular.

Note 2 The capitalization issue of 1,108,834,171 shares is calculated at the ratio of approximately 1:19.128, which is derived from the ratio of converting 61,165,829 ordinary shares immediately before completion of the De-SPAC Transaction into 1,170,000,000 ordinary shares immediately after completion of the De-SPAC Transaction, as set out in the sections headed "History, Development and Corporate structure of the Target Group" and "Letter from TechStar Board" of the Circular.

Note 8: Foreign currency of the adjustments in respect of the De-SPAC Transaction in the unaudited pro forma financial information is translated based on the exchange rates announced by the People's Bank of China at HK$1.00 to US$0.1279 at January 1, 2024, HK$1.00 to US$0.1275 at May 31, 2025 assuming the De-SPAC Transaction had taken place. No representation is made that HK$ amounts have been, could have been or may be converted to US$, or vice versa, at those rates or at all.

Note 9: The Successor Company Warrants liabilities for both listed warrants and promoter warrants are expected to be accounted for as financial liabilities measured at FVTPL and the changes in fair value of the liabilities will be recorded in the profit or loss. Apart from the foregoing, other adjustments are not expected to have a continuing effect on the Successor Group.

Note 10: Saved as disclosed above, no adjustment has been made to the unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Successor Group to reflect any other transactions of the Successor Group entered into subsequent to May 31, 2025.

D. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE SUCCESSOR GROUP AS AT MAY 31, 2025

	Unaudited pro forma adjusted consolidated net tangible assets of the Successor Group	**Unaudited pro forma adjusted consolidated net tangible assets of the Successor Group per share**	**Unaudited pro forma adjusted consolidated net tangible assets of the Successor Group per share**
	US$'000	*US$*	*HK$*
	Note i	*Note ii*	*Note iii*
Consolidated net tangible assets attributable to owners of the Successor Company			
Scenario I	181,908	0.13	1.01
Scenario II	42,954	0.03	0.23

Note i: The unaudited pro forma adjusted consolidated net tangible assets of the Successor Group as at May 31, 2025 is based on the amount of the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Successor Company as at May 31, 2025, which is calculated using the total equity attributed to the owners of the Successor Company of US$183,927,000 and US$44,973,000 under Scenario I and Scenario II of the unaudited pro forma consolidated statement of financial position of the Successor Group as at May 31, 2025, respectively, after deducting the intangible assets attributable to the owners of the Successor Company of US$2,019,000 as derived from the Historical Financial Information of the Target Group as set out in Appendix I of this Circular, amounting to approximately US$181,908,000 and US$42,954,000, respectively.

Note ii: The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Successor Group per share under Scenario I and Scenario II is 1,360,240,000 and 1,250,130,000 respectively after completion of the De-SPAC Transaction as at May 31, 2025, with details set out in note 7 in section C "**Notes to the Unaudited Pro Forma Financial Information of the Successor Group**" of Appendix III.

Note iii: For the purpose of this unaudited pro forma financial information, the unaudited pro forma adjusted consolidated net tangible assets of the Successor Group attributable to the owners of the Successor Company per share as at May 31, 2025 is converted from US$ to HK$ at an exchange rate of HK$1.00 to US$0.1287, which was the exchange rate prevailing on November 2, 2025 with reference to the exchange rate published by the People's Bank of China. No representation is made that RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or at all.

The following is the text of an independent reporting accountants' assurance report, set out on pages III-20 to III-23, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SUCCESSOR GROUP

TO THE BOARD OF DIRECTORS OF TECHSTAR ACQUISITION CORPORATION AND SEYOND HOLDINGS LTD.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of the Successor Group (as defined in the circular issued by TechStar Acquisition Corporation ("TechStar") dated November 12, 2025 (the "Circular")) by the directors of TechStar and the Seyond Holdings Ltd. (the "Target Company") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at May 31, 2025, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024, the unaudited pro forma consolidated statement of cash flows for the year ended December 31, 2024, the unaudited pro forma statement of adjusted consolidated net tangible assets of the Successor Group as at May 31, 2025 and related notes as set out on pages III-1 to III-19 of the Circular in connection with the De-SPAC Transaction (as defined in the Circular). The applicable criteria on the basis of which the directors of TechStar and the Target Company have compiled the unaudited pro forma financial information are described on pages III-1 to III-19 of the Circular.

The unaudited pro forma financial information has been compiled by the directors of TechStar and the Target Company to illustrate the impact of proposed De-SPAC Transaction pursuant to the terms and conditions under business combination agreement as signed by TechStar and the Target Company and its subsidiaries (hereinafter collectively referred to as the "Target Group") on December 20, 2024, constituting a De-SPAC Transaction result in the business combination of TechStar and the Target Group and the listing of the Target Company as the Successor Group on the Stock Exchange. As part of this process, information about the TechStar's financial position as at June 30, 2025 has been extracted by the directors of TechStar and the Target Company from TechStar's unaudited condensed financial statements for the six months ended June 30, 2025, on which no review report has been published, information about TechStar's financial performance and cash flow for the year ended December 31, 2024 has been extracted by the directors of TechStar and the Target Company from TechStar's financial statements for the year ended December 31, 2024, on which an audit report has been published. Information about the Target Group's consolidated financial position, consolidated financial performance and consolidated cash flows has been extracted by the directors of TechStar and the Target Company from the accountants' report of the Target Group as set out in the Appendix I to the Circular.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The the directors of TechStar and the Target Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Successor Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at May 31, 2025 or January 1, 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Successor Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Target Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
November 12, 2025

PRC TAXATION

PRC Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT law**"), promulgated by the National People' s Congress on 16 March 2007, came into effect on 1 January 2008 and last amended on 29 December 2018, as well as the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on 6 December 2007, came into force on 1 January 2008 and last amended on 6 December 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its implementation rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign (regional) laws but whose actual management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are legally established under foreign (regional) laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC.

Pursuant to the Administrative Measures on Accreditation of High-tech Enterprises 《(高新技術企業認定管理辦法》) promulgated on 14 April 2008 and amended on 29 January 2016, qualifications of an accredited high-tech enterprise shall be valid for three years from the date of issuance of the certificate. Upon obtaining the qualification as a high-tech enterprise, the enterprise shall complete tax reduction and exemption formalities with the tax authorities in charge pursuant to the provisions of Article 4 of these Measures.

Value-Added Tax

The major PRC Law governing value-added tax are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) issued on 13 December 1993 by the State Council, came into effect on 1 January 1994, and last revised on 19 November 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) issued on 25 December 1993 by the MOF, came into effect on the same day and last revised on 28 October 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation

is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued the Notice of on Adjusting VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值税税率的通知》(財税[2018]32號)) on 4 April 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effect on 1 May 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》) on 20 March 2019 to make a further adjustment, which came into effect on 1 April 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

Furthermore, on December 25, 2024, the National People's Congress of the PRC promulgated the Value Added Tax Law of the PRC, or the VAT Law, which will come into effect on January 1, 2026. The VAT Law will consolidate China's current VAT regulations into one overarching piece of legislation.

Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Law and its implementation rules, if a non-PRC resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "Arrangement"), which was signed between the SAT and the Hong Kong Government on 21 August 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including resident individuals and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which came into effect on 6 December 2019, added a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家税務總局關於執行税收協定股息條款有關問題的通知》(國税函

[2009]81號)). Furthermore, the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties (《非居民納税人享受税收協定待遇管理辦法》) ("SAT Circular 60"), which became effective in November 2015, requires that non-PRC resident enterprises which satisfy the criteria for entitlement to tax treaty benefits may, at the time of tax declaration or withholding declaration through a withholding agent, enjoy the tax treaty benefits, and be subject to ongoing administration by the tax authorities. In the case where the non-PRC resident enterprises do not apply to the withholding agent to claim the tax treaty benefits, or the materials and the information stated in the relevant reports and statements provided to the withholding agent do not satisfy the criteria for entitlement to tax treaty benefits, the withholding agent should withhold tax pursuant to the provisions of the PRC tax laws. According to the Circular of the State Taxation Administration on Several Issues regarding the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》) ("SAT Circular 9"), which was issued on February 3, 2018 by the SAT, effective as of April 1, 2018, when determining the applicant' s status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties.

PRC FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange regulation according to relevant laws and regulations. SAFE, with the authorisation of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulatory regulations.

On 29 January 1996, the State Council promulgated the Regulations of the PRC for Foreign Exchange Control (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Control Regulations") which became effective on 1 April 1996. The Foreign Exchange Control Regulations classify all international payments and transfers into current items and capital items. Most of the current items are no longer subject to SAFE's approval, while capital items remain unchanged. The Foreign Exchange Control Regulations were subsequently amended on 14 January 1997 and 5 August 2008. The latest amendment to the Foreign Exchange Control Regulations clearly states that no restriction will be imposed on international current payments and transfers.

On 20 June 1996, the PBOC promulgated the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (Yin Fa [1996] No. 210) (《結匯、售匯及付匯管理規定》(銀發[1996]210號)), which abolished the remaining restrictions on convertibility of foreign exchange under current items, while retaining the existing restrictions on foreign exchange transactions under capital items accounts.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Regime (the PBOC Announcement [2005] No. 16) (《關於完善人民幣匯率形成機制改革的公告》(中國人民銀行公告[2005]第16號)), issued by the PBOC on 21 July 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

Starting from 4 January 2006, the PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practise of matching was kept at the same time. In addition to the above, the PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On 1 July 2014, the PBOC further improved the formation mechanism of the RMB exchange rate by authorising the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD on that day using the weighted average of the remaining market makers' offered quotations after excluding the highest and lowest quotations, and announce the central parity of the RMB against currencies such as the USD at 9:15 a.m. on each working day. On 11 August 2015, the PBOC announced to improve the central parity quotations of RMB against the USD by authorising market makers to provide central parity quotations to the China Foreign Exchange Trading System before the interbank foreign exchange market opens every day with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

On 5 August 2008, the State Council promulgated the revised Regulations of the PRC for Foreign Exchange Control, which have made substantial changes to the foreign exchange supervision system of the PRC. First, the regulations have adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, the regulations have improved the RMB exchange rate floating system based on market supply and demand under management; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the

State may adopt necessary safeguard or control measures against international balance of payment; fourth, the regulations have enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated banks that carry foreign exchange business, on the strength of valid receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, after paying taxes in according to the law, on the strength of resolutions of the board of directors on the distribution of profits, effect payment from foreign exchange accounts opened at designated banks that carry foreign exchange business, or effect exchange and payment at designated banks.

The Decisions on Matters including Cancelling and Adjusting a Batch of Administrative Approval Items (Guo Fa [2014] No. 50) (《關於取消和調整一批行政審批項目等事項的決定》(國發[2014]50號)) promulgated by the State Council and came into effect on 23 October 2014 provide to cancel the approval requirement of SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)) promulgated by SAFE on 13 February 2015 and became effective on 1 June 2015, and partially repealed on 30 December 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)) which was promulgated by SAFE and became effective on 9 June 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of willingness exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of SAFE in due time in accordance with international revenue and expenditure situations.

According to the Notice by SAFE on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (Hui Fa [2020] No. 8) (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》(匯發[2020]8號)) issued by SAFE on 10 April 2020 and became effective on 1 June 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilised capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

On December 4, 2023, SAFE issued the Notice on Further Deepening Reforms to Promote the Facilitation of Cross-border Trade and Investment (Hui Fa [2023] No. 28) (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》(匯發[2023]28號)), which provides that qualified high-tech, "professional, sophisticated, unique and new" and technology-based small and medium-sized enterprises located in specified provinces or cities may borrow foreign debt on their own, provided the amount of debt does not exceed the equivalent of US$10 million. In addition, this notice restructured the asset realization account of capital accounts to the settlement account of capital accounts. Funds denominated in foreign currency received in consideration of an equity transfer by a domestic equity transferor (including institutions and individuals) from domestic parties, as well as the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at the discretion of the accountholder.

Set out below is a summary of certain provisions of the Successor Company Memorandum and Articles and of certain aspects of the Companies Act.

The Target Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 4, 2016 under the Companies Act. The Successor Company's constitutional documents consist of the Successor Company Memorandum and Articles.

1 MEMORANDUM OF ASSOCIATION

1.1 The Successor Company Memorandum provides, inter alia, that the liability of members of the Successor Company is limited and that the objects for which the Successor Company is established are unrestricted (and therefore include acting as an investment company), and that the Successor Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Successor Company is an exempted company, that the Successor Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Successor Company carried on outside the Cayman Islands.

1.2 By special resolution the Successor Company may alter the Successor Company Memorandum with respect to any objects, powers or other matters specified in it.

2 ARTICLES OF ASSOCIATION

The Successor Company Articles were adopted on December 20, 2024 and will become effective immediately upon completion of the De-SPAC Transaction. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of shares

The share capital of the Successor Company consists of ordinary shares.

(b) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Successor Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of not less than three-fourths of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The

provisions of the Successor Company Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum shall be not less than persons together holding (or, in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy holding not less than one-third of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(c) Alteration of capital

The Successor Company may, by an ordinary resolution of its members:

(i) increase its share capital by the creation of new shares of such amount as it thinks expedient;

(ii) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares;

(iii) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions;

(iv) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Successor Company Memorandum;

(v) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(vi) make provision for the allotment and issue of shares which do not carry any voting rights;

(vii) change the currency of denomination of its share capital; and

(viii) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

(d) Transfer of shares

Subject to the Companies Act and the requirements of the Stock Exchange, all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Successor Board may approve and may be under hand or, if the transferor or transferee is a Clearing House (as defined in the Successor Company Articles) or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Successor Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Successor Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Successor Company in respect of that share.

The Successor Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Successor Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Successor Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Successor Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Successor Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Successor Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Successor Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on their behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed on terms equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong as amended from time to time) as at the date of the adoption of the Successor Company Articles (or its equivalent provision from time to time) at such time or for such period not exceeding in the whole 30 days in each year as the Successor Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Power of the Successor Company to purchase its own shares

The Successor Company may purchase its own shares subject to certain restrictions and the Successor Board may only exercise this power on behalf of the Successor Company subject to any applicable requirement imposed from time to time by the Successor Company Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Successor Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(f) Power of any subsidiary of the Successor Company to own shares in the Successor Company

There are no provisions in the Successor Company Articles relating to the ownership of shares in the Successor Company by a subsidiary.

(g) Calls on shares and forfeiture of shares

The Successor Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Successor Board shall fix from the day appointed for payment to the time of actual payment, but the Successor Board may waive payment of such interest wholly or in part. The Successor Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Successor Company may pay interest at such rate (if any) not exceeding 20% per annum as the Successor Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Successor Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Successor Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Successor Company all monies which, at the date of forfeiture, were payable by them to the Successor Company in respect of the shares together with (if the Successor Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Successor Board may prescribe.

2.2 Directors

(a) Appointment, retirement and removal

At any time or from time to time, the Successor Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Successor Board or as an additional Director to the existing Successor Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Successor Company after their appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Successor Board shall hold office only until the first annual general meeting of the Successor Company after their appointment and be eligible for re-election at such meeting. Any Director so appointed by the Successor Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Successor Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of their willingness to be elected has been lodged at the head office or at the registration office of the Successor Company. The period for lodgement of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Successor Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Successor Board.

A Director may be removed by an ordinary resolution of the Successor Company before the expiration of their term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between them and the Successor Company) and the Successor Company may by ordinary resolution appoint another in their place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if they:

(i) resign;

(ii) die;

(iii) are declared to be of unsound mind and the Successor Board resolves that their office be vacated;

(iv) become bankrupt or have a receiving order made against them or suspends payment or compounds with their creditors generally;

(v) are prohibited from being or ceases to be a director by operation of law;

(vi) without special leave, is absent from meetings of the Successor Board for six consecutive months, and the Successor Board resolves that their office is vacated;

(vii) have been required by the stock exchange of the Relevant Territory (as defined in the Successor Company Articles) to cease to be a Director; or

(viii) are removed from office by the requisite majority of the Directors or otherwise pursuant to the Successor Company Articles.

From time to time the Successor Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Successor Company for such period and upon such terms as the Successor Board may determine, and the Successor Board may revoke or terminate any of such appointments. The Successor Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Successor Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Successor Board.

(b) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act, the Successor Company Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Successor Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Successor Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Successor Company or the holder of the share, it is liable to be redeemed.

The Successor Board may issue warrants to subscribe for any class of shares or other securities of the Successor Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Successor Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Successor Company has received an indemnity in such form as the Successor Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Successor Company Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Successor Company Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Successor Company shall be at the disposal of the Successor Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Successor Company nor the Successor Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Successor Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to dispose of the assets of the Successor Company or any of its subsidiaries

While there are no specific provisions in the Successor Company Articles relating to the disposal of the assets of the Successor Company or any of its subsidiaries, the Successor Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Successor Company and which are not required by the Successor Company Articles or the Companies Act to be exercised or done by the Successor Company in general meeting, but if such power or act is regulated by the Successor Company in general meeting, such regulation shall not invalidate any prior act of the Successor Board which would have been valid if such regulation had not been made.

(d) Borrowing powers

The Successor Board may exercise all the powers of the Successor Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Successor Company and, subject to the Companies Act, to issue debentures, debenture stock, bonds and other securities of the Successor Company, whether outright or as collateral security for any debt, liability or obligation of the Successor Company or of any third party.

(e) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Successor Board or the Successor Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Successor Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Successor Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Successor Company, performs services which in the opinion of the Successor Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Successor Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Successor Board may from time to time decide. Such remuneration shall be in addition to their ordinary remuneration as a Director.

The Successor Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Successor Company or companies with which the Successor Company is associated in business, or may make contributions out of the Successor Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Successor Company or any of its subsidiaries) and former employees of the Successor Company and their dependents or any class or classes of such persons.

The Successor Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Successor Board, be granted to an employee either before and in anticipation of, or upon or at any time after, their actual retirement.

(f) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with their retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Successor Company in general meeting.

(g) Loans and provision of security for loans to Directors

The Successor Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Successor Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Successor Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(h) Disclosure of interest in contracts with the Successor Company or any of its subsidiaries

With the exception of the office of auditor of the Successor Company, a Director may hold any other office or place of profit with the Successor Company in conjunction with their office of Director for such period and upon such terms as the Successor Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Successor Company Articles. A Director may be or become a director, officer or member of any other company in which the Successor Company may be interested, and shall not be liable to account to the Successor Company or the members for any remuneration or other benefits received by them as a director, officer or member of such other company. The Successor Board may also cause the voting power conferred by the shares in any other company held or owned by the Successor Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by their office from contracting with the Successor Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Successor Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Successor Company shall declare the nature of their interest at the earliest meeting of the Successor Board at which they may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Successor Company.

A Director shall not vote or be counted in the quorum on any resolution of the Successor Board in respect of any contract or arrangement or proposal in which they or any of their close associate(s) has/have a material interest, and if they shall do so their vote shall not be counted nor shall they be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or their close associate(s) in respect of money lent or obligations incurred or undertaken by any of them at the request of or for the benefit of the Successor Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Successor Company or any of its subsidiaries for which the Director or their close associate(s) have themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Successor Company or any other company which the Successor Company may promote or be interested in for subscription or purchase, where the Director or their close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Successor Company or any of its subsidiaries, including the adoption, modification or operation of either:

(A) any employees' share scheme or any share incentive or share option scheme under which the Director or their close associate(s) may benefit; or

(B) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Successor Company or any of its subsidiaries and does not provide in respect of any Director or their close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or their close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Successor Company by virtue only of his/their interest in those shares, debentures or other securities.

2.3 Proceedings of the Successor Board

The Successor Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the constitutional documents and the Successor Company's name

To the extent that the same is permissible under the Companies Act and subject to the Successor Company Articles, the Successor Company Memorandum and Articles may only be altered or amended, and the name of the Successor Company may only be changed, with the sanction of a special resolution of the Successor Company.

2.5 Meetings of Member

(a) Special and ordinary resolutions

A special resolution of the Successor Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands (the "**Registrar of Companies**") within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Successor Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Successor Company duly convened and held, and where relevant as a special resolution so passed.

(b) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting:

(i) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in their name in the register of members of the Successor Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and

(ii) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House or its nominee(s), each such proxy shall have one vote on a show of hands.

Members shall have the right to:

(i) speak at general meetings of the Successor Company; and

(ii) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

On a poll, a member entitled to more than one vote need not use all their votes or cast all the votes used in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(i) at least two members;

(ii) any member or members representing not less than one-tenth of the total voting rights, on a one vote per share basis, of all the members having the right to vote at the meeting; or

(iii) a member or members holding shares in the Successor Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Successor Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Successor Company, at any meeting of any class of members, or at any meeting of the creditors of the Successor Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to speak and vote.

Where the Successor Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual general meetings

The Successor Company must hold an annual general meeting each year other than the year of the Company's adoption of the Successor Company Articles. Such meeting must be held within six months after the end of the Successor Company's financial year, at such time and place as may be determined by the Successor Board.

(d) Notices of meetings and business to be conducted

An annual general meeting of the Successor Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Successor Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Successor Company Articles shall be in writing, and may be served by the Successor Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Successor Company in writing of an address in Hong Kong which shall be deemed to be their registered address for this purpose. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Successor Company to any member by electronic means.

Although a meeting of the Successor Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it can be demonstrated to the Stock Exchange that reasonable written notice can be given in less time, and it is so agreed:

(i) in the case of an annual general meeting, by all members of the Successor Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Successor Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

Extraordinary general meetings shall also be convened on the requisition of one or more members holding at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Successor Company having the right of voting at general meetings, on a one vote per share basis in the share capital of the Successor Company. The requisitionist(s) may, at any time of making a requisition, add resolutions to the agenda of a general meeting so requisitioned.

(e) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued shares of that class.

(f) Proxies

Any member of the Successor Company entitled to attend and vote at a meeting of the Successor Company is entitled to appoint another person as their proxy to attend and vote instead of them. A member who is the holder of two or more shares may appoint more than one proxy to represent them and vote on their behalf at a general meeting of the Successor Company or at a class meeting. A proxy need not be a member of the Successor Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom they act as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which they act as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of their attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Successor Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to their intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise their discretion in respect of) each resolution dealing with any such business.

2.6 Accounts and audit

The Successor Board shall cause proper books of account to be kept of the sums of money received and expended by the Successor Company, and of the assets and liabilities of the Successor Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Successor Company's affairs and to show and explain its transactions.

The books of accounts of the Successor Company shall be kept at the head office of the Successor Company or at such other place or places as the Successor Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Successor Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorised by the Successor Board or the Successor Company in general meeting.

The Successor Board shall from time to time cause to be prepared and laid before the Successor Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Successor Company under the provisions of the Successor Company Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Successor Company Articles), the Successor Company may send summarised financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Successor Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Successor Board. The appointment, removal and remuneration of the auditors shall be approved by a majority of the Successor Company's shareholders in general meeting or by another body independent of the Successor Board.

The members may, at any general meeting convened and held in accordance with the Successor Company Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in its place for the remainder of the term. A body that is independent of the board may also remove the auditors by a simple majority vote before the expiration of the term of office and shall by a simple majority vote appoint new auditors in its place for the remainder of the term.

The auditors shall audit the financial statements of the Successor Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other methods of distribution

The Successor Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Successor Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(b) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(c) the Successor Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by them to the Successor Company on account of calls, instalments or otherwise.

Where the Successor Board or the Successor Company in general meeting has resolved that a dividend should be paid or declared, the Successor Board may resolve:

(i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(ii) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Successor Board may think fit.

Upon the recommendation of the Successor Board, the Successor Company may by ordinary resolution in respect of any one particular dividend of the Successor Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Successor Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Successor Board or the Successor Company in general meeting has resolved that a dividend be paid or declared, the Successor Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Successor Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Successor Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Successor Board for the benefit of the Successor Company until claimed and the Successor Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Successor Board and, upon such forfeiture, shall revert to the Successor Company.

No dividend or other monies payable by the Successor Company on or in respect of any share shall bear interest against the Successor Company.

The Successor Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

2.8 Inspection of corporate records

For so long as any part of the share capital of the Successor Company is listed on the Stock Exchange, any member may inspect any register of members of the Successor Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to them of copies or extracts of such register in all respects as if the Successor Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of minorities in relation to fraud or oppression

There are no provisions in the Successor Company Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Successor Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

2.10 Procedures on liquidation

A resolution that the Successor Company be wound up by the court or be wound up voluntarily shall be a special resolution. The board shall have no authority to present a winding up petition on behalf of the Successor Company without the sanction of a resolution passed by the Successor Company in general meeting.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(a) if the Successor Company is wound up and the assets available for distribution among the members of the Successor Company are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* among such members in proportion to the amount paid up on the shares held by them respectively; and

(b) if the Successor Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Successor Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Successor Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as they deem fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

2.11 Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Successor Company and the Successor Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3 CAYMAN ISLANDS COMPANY LAW

The Successor Company was incorporated in the Cayman Islands as an exempted company on November 4, 2016 subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all aspects of the Cayman Islands law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company operations

An exempted company such as the Successor Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies and pay a fee which is based on the amount of its authorised share capital.

3.2 Share capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in Section 37 of the Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial assistance to purchase shares of a company or its holding company or its subsidiary

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of a company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands' courts will ordinarily follow).

3.8 Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to:

(a) all sums of money received and expended by it;

(b) all sales and purchases of goods by it; and

(c) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (as amended) of the Cayman Islands (the "**TIA Act**"), make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

Pursuant to Section 6 of the Tax Concessions Act (as amended) of the Cayman Islands (the "**Tax Concessions Act**"), the Successor Company has obtained an undertaking from the Governor-in-Cabinet that:

(a) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Successor Company or its operations; and

(b) no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Successor Company:

  (i) on or in respect of the shares, debentures or other obligations of the Successor Company; or

  (ii) by way of withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Act.

The undertaking for the Successor Company is for a period of 30 years from August 5, 2024.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Successor Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the TIA Act.

3.15 Register of Directors and officers

Pursuant to the Companies Act, the Successor Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by:

(a) an order of the court;

(b) voluntarily by its members; or

(c) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that:

(a) the company is or is likely to become insolvent; or

(b) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors.

A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on their appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court their view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

3.18 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands' courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.19 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.20 Scheme of arrangement

Following amendments to the Companies Act that became effective on 31 August 2022, the majority-in-number "headcount test" in relation to the approval of members' schemes of arrangement has been abolished. Section 86(2A) of the Companies Act provides that, if 75% in value of the members (or class of members) of a Cayman Islands company agree to any compromise or arrangement, such compromise or arrangement shall, if sanctioned by the Court, be binding on all members (or class of members) of such company and on the company itself. Where a Cayman Islands company is in the course of being wound up, such compromise or arrangement would be binding on the liquidator and contributories of the company. In contrast, section 86(2) of the Companies Act continues to require (a) approval by a majority in number representing 75% in value and (b) the sanction of the court, in relation to any compromise or arrangement between a company and its creditors (or any class of them).

3.21 General

Walkers (Hong Kong), the Target Company's legal advisers on Cayman Islands law, have sent to the Target Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available on display as referred to in "Documents on Display" in Appendix IX. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which that person is more familiar is recommended to seek independent legal advice.

Set out below is a summary of certain provisions of the Memorandum (the "**Memorandum**") and Articles (the "**Articles**") of Association of TechStar as the surviving company after the Merger.

1 MEMORANDUM OF ASSOCIATION

1.1 The Memorandum provides, inter alia, that the liability of members of TechStar is limited and that the objects for which TechStar is established are unrestricted, and that TechStar shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person and, since TechStar is an exempted company, that TechStar will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of TechStar carried on outside the Cayman Islands.

1.2 By special resolution TechStar may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2 ARTICLES OF ASSOCIATION

A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of shares

The share capital of TechStar consists of ordinary shares.

(b) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of TechStar is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of not less than two-thirds of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum shall be not less than one or more persons holding (or, in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy holding not less than one-third in nominal or par value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be materially adversely varied or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

(c) Alteration of capital

TechStar may, by an ordinary resolution of its members:

(i) increase its share capital by the creation of new shares of such amount as it thinks expedient;

(ii) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares;

(iii) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;

(iv) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; and

(v) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(d) Transfer of shares

All transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of TechStar in respect of that share.

Subject to the terms of issue thereof, the Board may determine to decline to register a transfer of any share without assigning any reason therefor.

(e) Power of TechStar to purchase its own shares

TechStar may purchase its own shares subject to certain restrictions.

(f) Power of any subsidiary of TechStar to own shares in TechStar

There are no provisions in the Articles relating to the ownership of shares in TechStar by a subsidiary.

(g) Calls on shares and forfeiture of shares

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on the shares held by them and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to TechStar at the time or times so specified the amount called on such shares. If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the same at the rate not exceeding 8% per annum from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve a notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to TechStar all monies which, at the date of forfeiture, were payable by them to TechStar in respect of the shares forfeited.

A statutory declaration in writing that the declarant is a Director, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all persons claiming to be entitled to the share.

TechStar may receive the consideration, if any, given for a share on any sale or disposition thereof pursuant to the provisions of the Articles as to forfeiture and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and that person shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall their title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes due and payable, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

2.2 Directors

(a) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting.

A Director is not required to hold any shares in TechStar by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of and may by ordinary resolution appoint another in their place.

The office of a Director shall be vacated if they:

(i) resign their office by notice in writing to TechStar;

(ii) die or is found to be or becomes of unsound mind;

(iii) becomes bankrupt or makes any arrangement or composition with their creditors;

(iv) is removed from office by notice addressed to them at their last known address and signed by all of their co-Directors (not being less than two in number); or

(v) is removed from office pursuant to any other provision of these Articles.

The Board may delegate any of their powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(b) Power to allot and issue shares and warrants

Subject to the Articles, all shares for the time being unissued shall be under the control of the Directors who may: (a) issue, allot and dispose of the same to such persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and (b) grant options with respect to such shares and issue warrants or similar instruments with respect thereto, and for such purposes, the Directors may reserve an appropriate number of shares for the time being unissued.

(c) Power to dispose of the assets of TechStar or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of TechStar or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by TechStar and which are not required by the Articles or the Companies Act to be exercised or done by TechStar in general meeting, but if such power or act is regulated by TechStar in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(d) Borrowing powers

The Board may exercise all the powers of TechStar to borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital or any part thereof or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of TechStar or of any third party.

(e) Remuneration

The remuneration of the Directors may be determined by the Directors or by ordinary resolution.

(f) Disclosure of interest in contracts with TechStar or any of its subsidiaries

With the exception of the office of auditor of TechStar, a Director may hold any other office or place of profit with TechStar in conjunction with their office of Director for such period and upon such terms as the Board may determine. Any Director may act by themselves or their firm in a professional capacity for TechStar, and they or their firm shall be entitled to remuneration for professional services as if they were not a Director, provided that nothing in the Articles shall authorise a Director or their firm to act as auditor to TechStar.

No Director or intended Director shall be disqualified by their office from contracting with TechStar, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to TechStar for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with TechStar shall declare the nature of their interest at the earliest meeting of the Board at which they may practically do so.

A Director, notwithstanding their interest, may be counted in the quorum present at any meeting of the Directors whereat such Director or any other Director is appointed to hold any such office or place of profit under TechStar or whereat the terms of any such appointment are arranged and they may vote on any such appointment or arrangement.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the constitutional documents and TechStar's name

To the extent that the same is permissible under the Companies Act and subject to the Articles, the Memorandum and Articles of TechStar may only be altered or amended, and the name of TechStar may only be changed, with the sanction of a special resolution of TechStar.

2.5 Meetings of Members

(a) Special and ordinary resolutions

A special resolution of TechStar is a resolution passed by a majority of not less than two-thirds of the votes cast by such members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands (the "**Registrar of Companies**") within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of TechStar as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of TechStar.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of TechStar duly convened and held, and where relevant as a special resolution so passed.

(b) Voting rights and right to demand a poll

Subject to any rights and restrictions for the time being attached to any shares on a show of hands every member present in person and every person representing a member by proxy shall, at a general meeting of TechStar, each have one vote and on a poll every member and every person representing a member by proxy shall have one vote for each share of which they or the person represented by proxy is the holder.

No member shall be entitled to vote at any general meeting of TechStar unless all calls, if any, or other sums presently payable by them in respect of shares carrying the right to vote held by them have been paid.

(c) Notices of meetings and business to be conducted

A general meeting of TechStar shall be called by at least seven clear days' notice in writing. The notice must specify the place, the day and hour of the meeting and the general nature of the business.

Any notice or document may be served by TechStar or by the person entitled to given notice to any member personally, by posting it airmail or air courier service in a prepaid letter addressed to such member at their address as appearing in TechStar's register of members, or by electronic mail to any electronic mail address such member may have specified in writing for the purpose of such service of notices, or by facsimile should the Directors deem it appropriate.

A meeting of TechStar may be called by shorter notice than as specified above, or without notice, with the consent of all the members entitled to receive notice of that meeting and attend and vote thereat.

General meetings shall also be convened on the requisition in writing of any member or members entitled to attend and vote at general meetings of TechStar holding at least ten percent of the paid up voting share capital of TechStar deposited at the registered office of TechStar specifying the objects of the meeting by notice given not later than 21 days from the date of the deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than 45 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by TechStar.

(d) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business.

The quorum for a general meeting shall be one or more members present in person or by proxy and entitled to vote holding at least a majority of the paid up voting share capital of TechStar. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third in nominal or par value value of the issued shares of that class.

(e) Proxies

Any member of TechStar entitled to attend and vote at a meeting of TechStar is entitled to appoint another person as their proxy to attend and vote instead of them. A proxy need not be a member of TechStar. On a poll or on a show of hands, votes may be given either personally or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of their attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. The instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

2.6 Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by TechStar, and of the assets and liabilities of TechStar and of all other matters required by the Companies Act (which include all sales and purchases of goods by TechStar) necessary to give a true and fair view of the state of TechStar's affairs and to show and explain its transactions.

The books of accounts of TechStar shall be kept at the registered office of TechStar or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of TechStar except as conferred by law or authorised by the Board or by ordinary resolution.

The accounts relating to Techstar's affairs shall only be audited if the Directors so determine, in which case the accounting principles will be determined by the Directors.

2.7 Dividends and other methods of distribution

Subject to any rights and restrictions for the time being attached to any shares, or as otherwise provided for in the Companies Act and the Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares in issue and authorise payment of the same out of the funds of TechStar lawfully available therefor.

Subject to any rights and restrictions for the time being attached to any shares, TechStar by ordinary resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the determination of the Directors, either be employed in the business of TechStar or be invested in such investments as the Directors may from time to time think fit.

Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the member or person entitled thereto, or in the case of joint holders, to any one of such joint holders at their registered address or to such person and such address as the member or person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled, or such joint holders as the case may be, may direct.

The Directors when paying dividends to the member in accordance with the Articles may make such payment either in cash or in specie and may determine the extent to which amounts may be withheld therefrom (including, without limitation, any taxes, fees, expenses or other liabilities for which a member (or TechStar, as a result of any action or inaction of the member) is liable).

Subject to any rights and restrictions for the time being attached to any shares, all dividends shall be declared and paid according to the amounts paid up on the shares, but if and for so long as nothing is paid up on any of the shares dividends may be declared and paid according to the par value of the shares.

No dividend or other monies payable by TechStar on or in respect of any share shall bear interest against TechStar.

2.8 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of TechStar under Cayman Islands law, as summarised in Appendix V.

2.9 Procedures on liquidation

A resolution that TechStar be wound up by the court or be wound up voluntarily shall be an ordinary resolution. The board shall have no authority to present a winding up petition on behalf of TechStar without the sanction of a resolution passed by TechStar in general meeting.

If TechStar is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of an ordinary resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of TechStar, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as they deem fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

A. RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to TechStar and the Target Group.

The Directors of TechStar collectively and individually accept full responsibility for the accuracy of the information contained in this circular (other those that relating to the Target Group). The Directors of TechStar, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to the Target Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters (other than those relating to the Target Group) the omission of which would make any statement in this circular misleading.

The Directors of the Target Company (including any proposed Directors of the Target Company who is named as such in this circular) collectively and individually accept full responsibility for the accuracy of the information contained in this circular (other than those in relation to TechStar). The Directors of the Target Company, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to TechStar) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters (other than those relating to TechStar) the omission of which would make any statement in this circular misleading.

B. FURTHER INFORMATION ABOUT TECHSTAR AND THE SUCCESSOR GROUP

1. Incorporation of TechStar

TechStar was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on April 11, 2022.

TechStar has established a place of business in Hong Kong at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. TechStar was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on July 18, 2022, with Ms. Jiang Jun appointed as the Hong Kong authorized representative of TechStar for acceptance of the service of process and any notices required to be served on TechStar in Hong Kong.

2. Changes in the share capital of TechStar

As of the date of incorporation of TechStar, the authorized share capital of TechStar was HK$380,000 divided into 3,800,000,000 ordinary shares of a par value of HK$0.0001 each.

The following alterations in the issued and paid-up share capital of TechStar have taken place since its date of incorporation up to the date of this circular:

(a) On the date of incorporation of TechStar, one ordinary share of a par value of HK$0.0001 was issued at par value to the initial subscriber, ICS Corporate Services (Cayman) Limited, which was transferred to Rivulet Valley Limited on the same date;

(b) On June 9, 2022, the authorized share capital of TechStar was reduced to HK$110,000 divided into 1,000,000,000 TechStar Class A Shares of a par value of HK$0.0001 each and 100,000,000 TechStar Class B Shares of a par value of HK$0.0001 each by canceling 2,700,000,000 authorized but unissued ordinary shares of a par value of HK$0.0001 each; and the one ordinary share allotted and issued to Rivulet Valley Limited was re-designated and re-classified to one TechStar Class B Share;

(c) On June 15, 2022, (i) 8,750,000 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to CNCB AM TS Acquisition Limited, (ii) 3,750,000 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to Zero2IPO Acquisition Holding Limited, (iii) 3,750,000 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to ZCL TechStar Promoter Limited, (iv) 2,499,999 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to Rivulet Valley Limited, (v) 5,000,000 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to INNO SPAC Holding Limited, and (vi) 1,250,000 TechStar Class B Shares of a par value of HK$0.0001 each were issued at par value to Waterwood Acquisition Corporation;

(d) On December 23, 2022, (i) 100,100,000 TechStar Class A Shares and 50,050,000 TechStar Listed Warrants were issued in the offering of TechStar; and (ii) 40,000,000 TechStar Promoter Warrants were issued in a concurrent private placement relating to the offering of TechStar.

There has been no alteration in the authorized or issued share capital of TechStar during the two years immediately preceding the date of this circular.

TechStar has no subsidiaries.

3. Corporate information and changes in the Share Capital of the Target Group

Target Company

The Target Company was incorporated in Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on November 4, 2016. The Target Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 6, 2025.

The principal place of business of the Target Company in Hong Kong is at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Mr. Lee Leong Yin of Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong has been appointed as the Target Company's authorized representatives for the acceptance of service of process and notices in Hong Kong.

As the Successor Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Islands company law and to its constitution, which comprises the Successor Company Memorandum and Articles. A summary of certain provisions of the Successor Company Memorandum and Articles and certain relevant aspects of the Cayman Islands company law is set out in "Appendix V — Summary of the Constitution of the Successor Company and Cayman Islands Company Law."

For details of the changes in the share capital of the Target Company, please refer to "History, Development and Corporate Structure of the Target Group".

The Target Group's subsidiaries during the Track Record Period are set out in the Accountant's Report set out in Appendix I to this circular. Save as disclosed below, there has been no alteration in the share capital of the Target Company or any of its subsidiaries within the two years immediately preceding the date of this circular.

Tudatong (Suzhou) Co., Ltd.

On October 29, 2025, the registered capital of Tudatong (Suzhou) Co., Ltd was increased from US$145 million to US$183 million.

Tudatong (Suzhou) Optical Technology Co., Ltd.

On October 28, 2025, Tudatong (Suzhou) Optical Technology Co., Ltd. was established as a limited liability company in the PRC with an initial registered capital of RMB1 million.

Jizhi Ruijian Technology (Huangshan) Co., Ltd.

On February 7, 2025, Jizhi Ruijian Technology (Huangshan) Co., Ltd. (激智睿見智能科技(黃山)有限公司) was established as a limited liability company in the PRC with an initial registered capital of US$10 million.

Tudatong (Chongqing) Co., Ltd.

On December 13, 2023, Tudatong (Chongqing) Co., Ltd. (圖達通智能科技(重慶)有限公司) was established as a limited liability company in the PRC with an initial registered capital of US$50 million.

4. Resolutions of the Successor Company Shareholders

Resolutions of the Successor Company Shareholders were passed on December 20, 2024, pursuant to which, among others:

(a) the Successor Company Memorandum and the Successor Company Articles were approved and adopted conditional upon the completion of the De-SPAC Transaction;

(b) a series of Capital Restructuring for the purpose of the De-SPAC Transaction was approved;

(c) the Target Company's entry into the Business Combination Agreement, the PIPE Investment Agreements and any other ancillary agreements in connection with the De-SPAC Transaction and the Permitted Equity Financing, and the transactions contemplated under De-SPAC Transaction and the Permitted Equity Financing were approved;

(d) conditional on the Listing Committee granting approval of the listing of, and permission to deal in, the Successor Company Shares and Successor Company Warrants,

  (i) the Listing, the De-SPAC Transaction, and the allotment and issue of Successor Company Shares and the Successor Company Warrants were approved;

  (ii) a general unconditional mandate was given to the Successor Company Directors to exercise all the powers of the Successor Company to allot, issue and deal with the Successor Company Shares or securities convertible into the Successor Company Shares (including the sale and/or transfer of treasury shares out of treasury held by the Successor Company) and to make or grant offers or agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive the Successor Company Shares) which might require the Successor Company Shares to be allotted, issued or dealt with, otherwise than pursuant to a right issue or pursuant to the exercise of any subscription rights attaching to any

warrants or any option scheme or similar arrangement which may be allotted and issued by the Successor Company from time to time granted by the Successor Company Shareholders in general meeting or, pursuant to the allotment and issue of the Successor Company Shares in lieu of the whole or part of a dividend on the Successor Company Shares in accordance with the Successor Company Articles, the Successor Company Shares not exceeding 20% of the number of the Successor Company Shares in issue immediately following completion of the De-SPAC Transaction (excluding treasury shares of the Successor Company), such mandate to remain in effect until the conclusion of the next annual general meeting of the Successor Company immediately following completion of the Listing, or until revoked or varied by an ordinary resolution of the Successor Company Shareholders in general meeting, whichever is the earliest;

(iii) a general unconditional mandate was given to the Successor Company Directors authorizing them to exercise all the powers of the Successor Company to repurchase the Successor Company Shares and the Successor Company Warrants on the Stock Exchange or on any other approved stock exchange on which the securities of the Successor Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of the Successor Company Shares will represent up to 10% of the number of the Successor Company Shares in issue (excluding treasury shares of the Successor Company) and such number of the Successor Company Warrants will represent up to 10% of the number of the Successor Company Warrants in issue immediately following the completion of the De-SPAC Transaction, such mandate to remain in effect until the conclusion of the next annual general meeting of the Successor Company immediately following completion of the Listing, or until revoked or varied by an ordinary resolution of the Successor Company Shareholders in general meeting, whichever occurs first;

(iv) the general mandate mentioned in paragraph (ii) above be extended by the addition to the number of the Successor Company Shares which may be allotted, or agreed conditionally or unconditionally to be allotted and issued by the Successor Company Directors pursuant to such general mandate of an amount representing the number of the Successor Company Shares and the number of the Successor Company Warrants repurchased by the Successor Company pursuant to the mandate to purchase shares referred to in paragraph (iii) above; and

(v) the terms of the Post-Listing Share Incentive Plan, together with the scheme limit and service providers limit were approved and adopted with effect from the Listing Date.

5. Repurchases of Successor Company Shares by Successor Company

(a) Provisions of the Listing Rules

Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of the Successor Company Shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Successor Company Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by the Successor Company Shareholders on December 20, 2024, a general mandate (the "**Repurchase Mandate**") was given to the Directors of the Successor Company authorizing any repurchase by the Successor Company of the Successor Company Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the number of the Successor Company Shares in issue (excluding treasury shares of the Successor Company) and not more than 10% of the number of the Successor Company Warrants in issue immediately following the completion of the De-SPAC Transaction until the conclusion of the Successor Company's next annual general meeting immediately following the completion of the De-SPAC Transaction, or the passing of an ordinary resolution by the Successor Company Shareholders revoking or varying the authority given to the Successor Company Directors, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Successor Company Articles and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(iii) Trading restrictions

The total number of the Successor Company Shares which the Successor Company may repurchase is up to 10% of the total number of the Successor Company Shares in issue immediately after the completion of the De-SPAC Transaction (excluding treasury shares of the Successor Company). The Successor

Company may not issue Successor Company Shares, sell or transfer treasury shares, or announce a proposed issue of the Successor Company Shares, or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase of the Successor Company Shares without the prior approval of the Stock Exchange. Such restriction does not apply to (i) a new issue of Successor Company Shares, or a sale or transfer of treasury shares under capitalization issue; (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Successor Company Shares; and (iii) a new issue of Successor Company Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring the Successor Company to issue Successor Company Shares or transfer treasury shares, which were outstanding prior to the purchase of its own Successor Company Shares. The Successor Company is also prohibited from repurchasing the Successor Company Shares on the Stock Exchange if the repurchase would result in the number of listed Successor Company Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. The Successor Company is required to procure that the broker appointed by the Successor Company to effect a repurchase of the Successor Company Shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require. As required by the prevailing requirements of the Listing Rules, an issuer shall not repurchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

(iv) Status of repurchased Shares

Following a repurchase of Successor Company Shares, the Successor Company may cancel any repurchased Successor Company Shares or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances. Successor Company Shareholders and potential investors of the Successor Company are advised to pay attention to any announcement to be published by the Successor Company in the future, including but without limitation, any relevant next day disclosure return (which shall identify, amongst others, the number of repurchased Successor Company Shares that are to be held in treasury or cancelled upon settlement of such repurchase, and where applicable, the reasons for any deviation from the intention statement previous disclosed) and any relevant monthly return.

For any treasury shares of the Successor Company deposited with CCASS pending resale on the Stock Exchange, the Successor Company shall, upon approval by the Successor Board implement the below interim measures which include (without limitation):

(i) procuring its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS;

(ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or

(iii) taking any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Successor Company Shares were registered in its own name as treasury shares.

The listing of all Successor Company Shares which are purchased by the Successor Company (whether on the Stock Exchange or otherwise) but not held as treasury shares shall be automatically cancelled upon repurchase. The Successor Company shall ensure that the documents of title of these repurchased Successor Company Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

(v) Suspension of repurchase

Pursuant to the Listing Rules, the Successor Company may not make any repurchases of the Successor Company Shares after inside information has come to its knowledge until the information is made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, during the period of 30 days immediately preceding the earlier of:

(i) the date of the Successor Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Successor Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Successor Company to publish an announcement of the Successor Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and in each case ending on the date of the results announcement, the Successor Company may not repurchase the Successor Company Shares on the Stock Exchange unless the circumstances are exceptional.

(vi) Procedural and reporting requirements

As required by the Listing Rules, repurchases of the Successor Company Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which the Successor Company may make a purchase of the Successor Company Shares. The report must state the total number of the Successor Company Shares repurchased by the Successor Company the previous day, the purchase price per Successor Company Share or the highest and lowest prices paid for such repurchases, and whether the purchased Successor Company Shares are cancelled following settlement of any such purchase or held as treasury shares, and where applicable, the reasons for any deviation from the intention statement previously disclosed by the Successor Company. In addition, the Successor Company's annual report is required to disclose details regarding repurchases of the Successor Company Shares made during the financial year, including a monthly breakdown of the number of shares repurchased, the purchase price per Successor Company Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid by the Successor Company for such repurchases.

(vii) Connected parties

The Successor Company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the Successor Company on the Stock Exchange.

(b) Reasons for repurchases

The Successor Company Directors believe that it is in the best interests of the Successor Company and the Successor Company Shareholders for the Successor Company Directors to have general authority from the Successor Company Shareholders to enable the Successor Company Directors to repurchase the Successor Company Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Successor Company Share and/or earnings per Successor Company Share and will only be made where the Successor Company Directors believe that such repurchases will benefit the Successor Company and the Successor Company Shareholders.

(c) Funding of repurchases

In repurchasing securities, the Successor Company may only apply funds legally available for such purpose in accordance with Successor Company Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position as disclosed in this circular and taking into account the current working capital position, the Successor Company Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Successor Company as compared with the position disclosed in this circular. The Successor Company Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Successor Company which in the opinion of the Successor Company Directors are from time to time appropriate for the Successor Company.

The exercise in full of the Repurchase Mandate, on the basis of 1,360,240,000 Successor Company Shares in issue immediately following the completion of the De-SPAC Transaction (assuming the Presumptions), could accordingly result in 13,632,400 Successor Company Shares being repurchased by the Successor Company during the period prior to the earliest occurrence of (i) the conclusion of the next annual general meeting of the Successor Company immediately following the completion of the De-SPAC Transaction; or (ii) the revocation or variation of the repurchase mandate by an ordinary resolution of the Successor Company Shareholders in general meeting (the "**Relevant Period**").

(d) General

The Target Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon Listing.

None of the Successor Company Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Successor Company Shares to the Successor Company.

The Successor Company Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Hong Kong.

If, as a result of any repurchase of the Successor Company Shares, a Successor Company Shareholder's proportionate interest in the voting rights of the Successor Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Successor Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Successor Company Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. Any repurchase of the Successor Company Shares which results in the number of the Successor Company Shares held by the public being reduced to less than 25% of the Successor Company Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person has notified the Successor Company that he or she has a present intention to sell the Successor Company Shares to the Successor Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

To the best knowledge of the Successor Company Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

C. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contracts

The Successor Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular that are or may be material:

(i) Business Combination Agreement;

(ii) PIPE Investment Agreements;

(iii) Successor Company Listed Warrant Instrument; and

(iv) Successor Company Promoter Warrant Agreement.

2. Intellectual Property Rights of the Target Group

(a) Trademarks

As of the Latest Practicable Date, the Target Group had registered the following trademarks which the Target Group considers to be material to the Target Group's business:

No.	Trademark	Place of Registration
1.	INNOVUSION	United States
2.	Innofusion	China
3.	Innofusion	China
4.	SEYOND	China
5.		Hong Kong
6.	SEYOND SEYOND	Hong Kong
7.	图达通 圖達通	Hong Kong

(b) Domain Names

As of the Latest Practicable Date, the Target Group had registered the following domain names which the Target Group considers to be material to the Target Group's business:

No.	Domain Name	Registered Owner	Expiry Date
1	Innovusion.com	Our Company	October 20, 2026
2	Seyond.com	Seyond, Inc.	January 31, 2026

(c) Patents

As of the Latest Practicable Date, the Target Group had registered the following patent which the Target Group considers to be material to the Target Group's business:

No.	Title	Place of Registration	Registered Owner
1	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	US	Seyond, Inc.
2	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	US	Seyond, Inc.
3	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	US	Seyond, Inc.
4	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	US	Seyond, Inc.
5	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	US	Seyond, Inc.
6	High Density Lidar Scanning	US	Seyond, Inc.
7	FIBER-BASED TRANSMITTER AND RECEIVER CHANNELS OF LIGHT DETECTION AND RANGING SYSTEMS	US	Seyond, Inc.
8	Dual Shaft Axias Flux Galvo Motor	US	Seyond, Inc.
9	Dual Shaft Axias Flux Galvo Motor	US	Seyond, Inc.
10	Dynamic Compensation to Polygon and Motor Tolerance Using Galvo Control Profile	US	Seyond, Inc.
11	Movement Profiles for Smart Scanning Using Galvanometer Mirror Inside Lidar Scanner	US	Seyond, Inc.
12	Compact Lidar Design with High Resolution and Ultra-Wide Field of View	US	Seyond, Inc.
13	Compact Lidar Design with High Resolution and Ultra-Wide Field of View	US	Seyond, Inc.
14	Compact Lidar Systems for Vehicle Contour Fitting	US	Seyond, Inc.

No.	Title	Place of Registration	Registered Owner
15	MULTIWAVELENGTH LIDAR DESIGN	US	Seyond, Inc.
16	MULTIWAVELENGTH LIDAR DESIGN	US	Seyond, Inc.
17	METHOD AND SYSTEM FOR ENCODING AND DECODING LIDAR	US	Seyond, Inc.
18	METHOD AND SYSTEM FOR ENCODING AND DECODING LIDAR	US	Seyond, Inc.
19	HIGH RESOLUTION LIDAR USING HIGH FREQUENCY PULSE FIRING	US	Seyond, Inc.
20	HIGH RESOLUTION LIDAR USING HIGH FREQUENCY PULSE FIRING	US	Seyond, Inc.
21	MEMS BEAM STEERING AND FISHEYE RECEIVING LENS FOR LIDAR SYSTEM	US	Seyond, Inc.
22	MEMS BEAM STEERING AND FISHEYE RECEIVING LENS FOR LIDAR SYSTEM	US	Seyond, Inc.
23	LIDAR WITH LARGED DYNAMIC RANGE	US	Seyond, Inc.
24	DISTRIBUTED LIDAR SYSTEMS	US	Seyond, Inc.
25	DISTRIBUTED LIDAR SYSTEMS	US	Seyond, Inc.
26	2-DIMENSIONAL STEERING SYSTEM FOR LIDAR SYSTEMS	US	Seyond, Inc.
27	MULTI-WAVELENGTH PULSE STEERING IN LIDAR SYSTEMS	US	Seyond, Inc.
28	LIDAR DETECTION SYSTEMS AND METHODS THAT USE MULTI-PLANE MIRRORS	US	Seyond, Inc.
29	LIDAR DETECTION SYSTEMS AND METHODS THAT USE MULTI-PLANE MIRRORS	US	Seyond, Inc.
30	LIDAR DETECTION SYSTEMS AND METHODS THAT USE MULTI-PLANE MIRRORS	US	Seyond, Inc.
31	LIDAR DETECTION SYSTEMS AND METHODS THAT USE MULTI-PLANE MIRRORS	US	Seyond, Inc.
32	LIDAR SYSTEMS WITH FIBER OPTIC COUPLING	US	Seyond, Inc.

No.	Title	Place of Registration	Registered Owner
33	LIDAR DETECTION SYSTEMS AND METHODS WITH HIGH REPETITION RATE TO OBSERVE FAR OBJECTS	US	Seyond, Inc.
34	LIDAR DETECTION SYSTEMS AND METHODS WITH HIGH REPETITION RATE TO OBSERVE FAR OBJECTS	US	Seyond, Inc.
35	COMPENSATION CIRCUITRY FOR LIDAR RECEIVER SYSTEMS AND METHOD OF USE THEREOF	US	Seyond, Inc.
36	LIDAR SAFETY SYSTEMS AND METHODS	US	Seyond, Inc.
37	LIDAR SAFETY SYSTEMS AND METHODS	US	Seyond, Inc.
38	LIDAR SYSTEMS AND METHODS FOR EXERCISING PRECISE CONTROL OF A FIBER LASER	US	Seyond, Inc.
39	LIDAR SYSTEMS AND METHODS FOR EXERCISING PRECISE CONTROL OF A FIBER LASER	US	Seyond, Inc.
40	LIDAR SYSTEMS AND METHODS FOR FOCUSING ON RANGES OF INTEREST	US	Seyond, Inc.
41	LIDAR SYSTEMS AND METHODS FOR FOCUSING ON RANGES OF INTEREST	US	Seyond, Inc.
42	DUAL LENS RECEIVE PATH FOR LIDAR SYSTEM	US	Seyond, Inc.
43	VIRTUAL WINDOWS FOR LIDAR SAFETY SYSTEMS AND METHODS	US	Seyond, Inc.
44	LIDAR SYSTEMS AND METHODS WITH BEAM STEERING AND WIDE ANGLE SIGNAL DETECTION	US	Seyond, Inc.
45	LIDAR SYSTEMS AND METHODS THAT USE A MULTI-FACET MIRROR	US	Seyond, Inc.
46	LIDAR SYSTEMS AND METHODS THAT USE A MULTI-FACET MIRROR	US	Seyond, Inc.
47	COMPACT PERCEPTION MODULE	US	Seyond, Inc.
48	MOTOR FOR ON-VEHICLE LIDAR, ON-VEHICLE LIDAR, AND VEHICLE	US	Tudatong (Suzhou) Co., Ltd.
49	HIGH RESOLUTION LIDAR USING HIGH FREQUENCY PULSE FIRING	PRC	Seyond, Inc.

No.	Title	Place of Registration	Registered Owner
50	MULTIWAVELENGTH LIDAR DESIGN	PRC	Seyond, Inc.
51	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	PRC	Seyond, Inc.
52	棱鏡製作方法、系統、計算機設備、計算機可讀存儲介質	PRC	Tudatong (Suzhou) Co., Ltd.
53	用於激光雷達的窗口遮擋的檢測方法及裝置	PRC	Tudatong (Suzhou) Co., Ltd.
54	一種用於激光雷達棱鏡電機的動平衡去重工藝及結構	PRC	Tudatong (Suzhou) Co., Ltd.
55	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	PRC	Seyond, Inc.
56	用於激光雷達系統的數據融合方法、裝置及可讀存儲介質	PRC	Tudatong (Suzhou) Co., Ltd.
57	2D Scanning High Precision Lidar Using Combination of Rotating Concave Mirror and Beam Steering Devices	PRC	Seyond, Inc.
58	Attaching a Glass Mirror to a Rotating Metal Motor Frame	PRC	Seyond, Inc.
59	使用多面鏡的LIDAR系統和方法	PRC	Seyond, Inc.
60	高密度LIDAR掃描	PRC	Seyond, Inc.
61	用於聚焦感興趣的範圍的LIDAR系統和方法	PRC	Seyond, Inc.
62	具有光束轉向和廣角信號檢測的LIDAR系統和方法	PRC	Seyond, Inc.
63	用於LIDAR系統的二維操縱系統	PRC	Seyond, Inc.
64	使用多面鏡的LIDAR系統和方法	PRC	Seyond, Inc.

(d) Software copyrights

As of the Latest Practicable Date, the Target Group had registered the following software copyrights which the Target Group considers to be material to the Target Group's business:

No.	Title	Place of Registration	Registration Number	Applicant
1	激光雷達超視距融合系統V1.0	PRC	2021SR0122466	Tudatong (Suzhou) Co., Ltd.
2	圖達通Lidar Final_Bootup測試軟件 V21.10.13.0	PRC	2021SR2023278	Tudatong (Suzhou) Co., Ltd.
3	圖達通Lidar內存管理系統 V1.0	PRC	2021SR1909662	Tudatong (Suzhou) Co., Ltd.
4	圖達通Lidar日誌管理系統 V1.0	PRC	2021SR2058365	Tudatong (Suzhou) Co., Ltd.
5	圖達通Lidar診斷服務平台[簡稱:UDS] V0.3.40	PRC	2021SR2013090	Tudatong (Suzhou) Co., Ltd.
6	圖達通Lidar指令解析系統 V1.0	PRC	2021SR1998500	Tudatong (Suzhou) Co., Ltd.
7	圖達通Lidar命令行控制軟件 V2.0	PRC	2021SR1957147	Tudatong (Suzhou) Co., Ltd.
8	圖達通OmniScence點雲操作平台V1.0	PRC	2021SR1957137	Tudatong (Suzhou) Co., Ltd.
9	圖達通車端單Lidar管理系統[簡稱:ILA-f] V0.3.40	PRC	2021SR1957732	Tudatong (Suzhou) Co., Ltd.
10	圖達通Lidar動態軌道障礙物探測系統 V1.0	PRC	2021SR2126498	Tudatong (Suzhou) Co., Ltd.
11	圖達通Lidar點雲標註系統軟件[簡稱:標註系統] V1.0	PRC	2021SR2124379	Tudatong (Suzhou) Co., Ltd.

No.	Title	Place of Registration	Registration Number	Applicant
12	圖達通Lidar GeoCal 測試軟件 V21.10.13.0	PRC	2021SR1957489	Tudatong (Suzhou) Co., Ltd.
13	圖達通Lidar點雲圖片轉換系統 V1.0	PRC	2021SR2141802	Tudatong (Suzhou) Co., Ltd.
14	圖達通Lidar靜態軌道障礙物探測系統 V1.0	PRC	2021SR2147807	Tudatong (Suzhou) Co., Ltd.
15	圖達通Lidar原始點雲數據捕捉調試系統 V1.0	PRC	2021SR1883284	Tudatong (Suzhou) Co., Ltd.
16	圖達通Lidar網絡通訊管理系統 V1.0	PRC	2021SR2021963	Tudatong (Suzhou) Co., Ltd.
17	圖達通Lidar線程管理系統 V1.0	PRC	2021SR2020279	Tudatong (Suzhou) Co., Ltd.
18	圖達通多Lidar管理系統[簡稱:IMP] V0.2.4	PRC	2021SR2034520	Tudatong (Suzhou) Co., Ltd.
19	圖達通Lidar點雲採集系統 V1.0	PRC	2021SR2140994	Tudatong (Suzhou) Co., Ltd.
20	圖達通Lidar機場跑道障礙物探測系統[簡稱:用於機場跑道等類似場景異物檢測] V1.0	PRC	2021SR2144428	Tudatong (Suzhou) Co., Ltd.
21	圖達通路端單Lidar管理系統[簡稱:TLA] V1.2.0.2	PRC	2021SR2057395	Tudatong (Suzhou) Co., Ltd.
22	圖達通Lidar Reflectance測試軟件 V1.0	PRC	2023SR0312767	Tudatong (Ningbo) Co., Ltd.
23	圖達通Lidar原木計系統V1.0	PRC	2023SR0312766	Tudatong (Ningbo) Co., Ltd.
24	圖達通Lidar點雲數據可視化系統V1.0	PRC	2023SR0312765	Tudatong (Ningbo) Co., Ltd.

No.	Title	Place of Registration	Registration Number	Applicant
25	圖達通Lidar調試平台[簡稱:Lidar Test] V1.0	PRC	2023SR0312760	Tudatong (Ningbo) Co., Ltd.
26	圖達通Lidar點雲數據解析系統V1.0	PRC	2023SR0312759	Tudatong (Ningbo) Co., Ltd.
27	圖達通Lidar測距系統V1.0	PRC	2023SR0312758	Tudatong (Ningbo) Co., Ltd.
28	數據採集系統軟件V1.0	PRC	2023SR0312757	Tudatong (Ningbo) Co., Ltd.
29	激光雷達攝像頭聯合標定軟件V1.0	PRC	2023SR0312764	Tudatong (Ningbo) Co., Ltd.
30	圖達通Lidar路面建模軟件[簡稱:路面建模軟件] V1.0	PRC	2023SR0312763	Tudatong (Ningbo) Co., Ltd.
31	AI感知算法軟件V1.0	PRC	2023SR0312762	Tudatong (Ningbo) Co., Ltd.
32	圖達通Lidar車道線檢測系統軟件V1.0	PRC	2023SR0312761	Tudatong (Ningbo) Co., Ltd.
33	OmniSense CD全息車輛輪廓感知系統[簡稱:OmniSense CD] V2.0	PRC	2022SR1515646	Tudatong (Suzhou) Co., Ltd.
34	OmniSense-IDAS軌道異物入侵檢測系統V1.0	PRC	2023SR0312597	Tudatong (Ningbo) Co., Ltd.

Save as disclosed above, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or individual property rights which are or may be material in relation to the Target Group's business.

D. FURTHER INFORMATION ABOUT THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF THE SUCCESSOR COMPANY

1. Disclosure of Interests

(a) Disclosure of Interests of Directors

Immediately following completion of the Closing and assuming the Presumptions, the interests and/or short positions (as applicable) of the Directors or chief executives of the Successor Company in the Successor Company Shares, underlying Successor Company Shares and debentures of the Successor Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Successor Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required under Section 352 of the SFO to be entered in the register referred to in that section, or which will be required to be notified to the Successor Company and the Stock Exchange under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("**Model Code**") once the Successor Company Shares are listed, will be as follows:

Interest in Shares of the Successor Company

Name	**Title**	**Capacity/Nature of Interest**	**Number of Successor Company Shares interested upon completion of the De-SPAC Transaction[(1)]**	**Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[(2)]**
Dr. Bao	Chairman of the Board, Executive Director, president and chief executive officer	Interest in controlled corporation[(3)(4)]	172,154,993(L)	12.66%
		Interest held through voting powers entrusted by other persons[(5)]	14,339,936(L)	1.05%
		Beneficial owner[(6)]	57,050,359(L)	4.20%
Dr. Li Yimin	Executive Director	Beneficial owner[(7)]	29,552,600(L)	2.17%

Notes:

(1) This refers to the number of Successor Company Shares held assuming that (i) all of the Target Company Preferred Shares (other than Series A Preferred Shares) have been converted into the Successor Company Shares on a one-to-one basis, and (ii) all the Series A Preferred Shares have been converted into the Successor Company Shares at the conversion ratio of 1:3.57929. The letter "L" denotes the person's long position in the Successor Company Shares.

(2) The approximate percentage of shareholding in the total issued Successor Company Shares is calculated based on the total number of 1,360,240,000 Successor Company Shares immediately after the Closing assuming the Presumptions.

(3) High Altos Limited is wholly-owned by Dr. Bao. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by High Altos Limited under the SFO.

(4) Dr. Bao is the manager of Phthalo Blue LLC. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by Phthalo Blue LLC under the SFO.

(5) Dr. Bao is entitled to exercise the voting rights of the Successor Company Shares held by Proxy Shareholders pursuant to the Voting Proxy Agreements. For details of the Voting Proxy Agreements, see "Relationship with the Single Largest Group of Shareholders of the Successor Company" in this circular. Therefore, Dr. Bao is deemed to be interested in the Successor Company Shares held by Proxy Shareholders under the SFO.

(6) Dr. Bao has been granted such number of Target Company Options to subscribe for an aggregate of 2,982,506 Target Company Shares (adjusted to 57,050,359 Successor Company Shares upon completion of the Capitalization Issue), pursuant to the Target Company Options granted to him under the 2016 Share Incentive Plan. Please see the section headed "– E. Employee Incentive Plans" for details.

(7) Dr. Li Yimin will hold 22,953,996 Successor Company Shares upon Closing (assuming the Presumptions). In addition, Dr. Li Yimin has been granted such number of Target Company Options to subscribe for an aggregate of 344,965 Target Company Shares (adjusted to 6,598,604 Successor Company Shares upon completion of the Capitalization Issue), pursuant to the Target Company Options granted to him under the 2016 Share Incentive Plan. Please see the section headed "– E. Employee Incentive Plans" for details.

(b) Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the De-SPAC Transaction, have interests or short positions in the Successor Company Shares or underlying Successor Company Shares which would be required to be disclosed to the Successor Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed "Substantial Shareholders following the De-SPAC Transaction".

As of the Latest Practicable Date, the Successor Company's Directors are not aware of any persons (not being Directors or chief executive of the Successor Company) who would, immediately following the completion of the De-SPAC Transaction (assuming the Presumptions) be directly or indirectly interested in 10% or more of the issued voting shares of any member of the Successor Group (except the Successor Company).

2. Particulars of Service Contracts

(a) Executive Directors

Each of the executive Directors of the Successor Company has entered into a service contract with the Successor Company under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing, which may be terminated by not less than thirty days' notice in writing served by either the executive Director or the Successor Company.

The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Successor Company Articles.

(b) Independent Non-executive Directors

Each of the independent non-executive Directors of the Successor Company has entered into and signed an appointment letter with the Successor Company for a term of three years with effect from the Listing, which may be terminated by not less than three months' notice in writing served by the independent non-executive Director or the Successor Company. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee. The appointments are subject to the provisions of retirement and rotation of Directors under the Successor Company Articles.

(c) Directors' Remuneration

The aggregate amount of remuneration (including salaries, allowances, benefits in kind, contribution to the pension scheme and other share-based compensation) paid to the Directors of the Target Company in respect of the financial years ended December 31, 2022, 2023 and 2024 was approximately US$1.4 million, US$1.4 million and US$0.8 million, respectively. Under the arrangements in force as of the date of this circular, it is estimated that the Directors of the Successor Company will be entitled to receive remuneration and benefits in kind for their service which, for the year ending December 31, 2025, are expected to be approximately US$932,500.

For the years ended December 31, 2022 and 2023 and 2024, the five highest paid individuals of the Target Group included one, two and two Directors of the Target Company, respectively, whose remunerations are included in the aggregate amount of fees, salaries, allowances, discretionary bonus, pension scheme contributions paid, share-based compensation, and benefits in kind granted to the relevant Directors set out above. Among such five highest paid individuals of the Target Group excluding the Directors of the Target Group, for the years ended December 31, 2022, 2023 and 2024, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension scheme contributions paid, share-based compensation, and benefits in kind granted to the remaining four, three and three individuals were approximately US$2.2 million, US$1.9

million and US$1.1 million, respectively. For further details on the remuneration of the five highest paid individuals of the Target Group during the Track Record Period, see Note 12 of the Accountant's Report in Appendix I of this circular.

None of the Directors of the Target Company or any past directors of any member of the Target Group has been paid any sum of money for the years ended December 31, 2022, 2023 and 2024 as (a) an inducement to join or upon joining the Target Company; or (b) for loss of office as a director of any member of the Target Group or of any other office in connection with the management of the affairs of any member of the Target Group.

There were no arrangements under which any Director of the Target Company has waived or agree to waive any emolument during the Track Record Period.

Save as disclosed above, none of the Directors of the Successor Company has entered into any service contract with any member of the Successor Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

3. Fees or commissions received

Save as disclosed in this section, none of the Directors of the Successor Company or any of the persons whose names are listed under the section headed "– F. Other Information – 10. Consent of Experts" below had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of the Successor Group within the two years immediately preceding the date of this circular.

4. Miscellaneous

(a) Save as disclosed in this section, none of the Directors or chief executive of the Successor Company has any interest or short positions in the Successor Company Shares, underlying Successor Company Shares or debentures of the Successor Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to in that section, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code, in each case once the Successor Company Shares are listed on the Stock Exchange.

(b) None of the Directors of the Successor Company nor any of the parties listed in the section headed "– F. Other Information – 10. Consent of Experts" below has any direct or indirect interest in the promotion of the Successor Company, or in any assets which have within the two years immediately preceding the date of this circular been acquired or disposed of by or leased to any member of the Successor Group, or are proposed to be acquired or disposed of by or leased to any member of the Successor Group.

(c) None of the Directors of the Successor Company nor any of the parties listed in the section headed "– F. Other Information – 10. Consent of Experts" below is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Successor Group taken as a whole.

(d) None of the parties listed in the section headed "– F. Other Information – 10. Consent of Experts" below:

(i) is interested legally or beneficially in any of the Successor Company Shares or any shares of any of the Successor Company's subsidiaries; or

(ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Successor Group.

(e) None of the Directors of the Successor Company or their respective close associates (as defined under the Listing Rules) or any of the Successor Company Shareholders (who to the knowledge of the Successor Company Directors owns more than 5% of the number of issued shares) has any interest in the five largest customers or the five largest suppliers of the Successor Group for each year/period during the Track Record Period.

(f) None of the Successor Company Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, the Successor Company, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Successor Company Director, or otherwise for services rendered by him in connection with the promotion or formation of the Successor Company.

E. EMPLOYEE INCENTIVE PLANS

1. 2016 Share Incentive Plan

The Target Company adopted the 2016 Share Incentive Plan on November 20, 2016. The purpose of the 2016 Share Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of the Target Company's business. The 2016 Share Incentive Plan is not governed by Chapter 17 of the Listing Rules as it does not involve further grant of Target Company Options and Target Company RSUs after the Listing. Under the 2016 Share Incentive Plan, the maximum aggregate number of Target Company Shares that the Target Company is authorized to issue pursuant to Target Company Options or Target Company RSUs granted thereunder is 8,702,719. The following is a summary of the principal terms of the 2016 Share Incentive Plan. The terms of the 2016 Share Incentive Plan are not subject to the provision of Chapter 17 of the Listing Rules as it does not involve grant of any Target Company Options, Target Company RSUs, share appreciation rights, or any other forms of incentive after Listing.

(a) Summary of terms

Type of awards

The 2016 Share Incentive Plan permits the awards of Target Company Options, share appreciation right, sales or bonuses of restricted shares or Target Company RSUs, or two or more of them in any combination or alternative.

Plan administration

The 2016 Share Incentive Plan shall be administrated by the Board of the Target Company or a committee appointed by the Board of the Target Company. Members of any such committee shall serve for such period of time as the Board of the Target Company may determine and shall be subject to removal by the Board of the Target Company at any time. The Board of the Target Company may also at any time terminate the functions of the committee and reassume all powers and authority previously delegated to the committee. With respect to the awards granted to non-employee Directors of the Target Company, the Board of the Target Company shall administer the 2016 Share Incentive Plan.

Eligibility

Any employee, director or consultant of the Target Company or a parent or a subsidiary of the Target Company shall be eligible to participate in the 2016 Share Incentive Plan.

Award agreement

Each award under the 2016 Share Incentive Plan shall be evidenced by an award agreement between the participant and the Target Company. Each award shall be subject to all applicable terms and conditions of the 2016 Share Incentive Plan and may be subject to any other terms and conditions that are not inconsistent with the 2016 Share Incentive Plan and that the plan administrator deems appropriate for inclusion in an award agreement.

Terms and conditions of award

The award agreement shall set forth the provisions, terms, and conditions of each award including, but not limited to, the award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, shares, or other consideration) upon settlement of the award, payment contingencies, and satisfaction of any performance criteria.

Amendment, suspension or termination of the 2016 Share Incentive Plan

The Board of the Target Company may at any time amend, suspend or terminate the 2016 Share Incentive Plan; the plan administrator may at any time amend, suspend, or terminate the 2016 Share Incentive Plan only to the extent permitted under the 2016 Share Incentive Plan. To the extent necessary to comply with applicable laws, the Target Company shall obtain shareholder approval of any plan amendment in such a manner and to such a degree as required. No award may be granted during any suspension of the 2016 Share Incentive Plan or after termination of the 2016 Share Incentive Plan. No suspension or termination of the 2016 Share Incentive Plan shall adversely affect any rights under awards already granted to a grantee.

Transferability of awards

The awards under the 2016 Share Incentive Plan may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the grantee, only by the grantee.

(b) Outstanding awards

(i) Target Company Options

As of the Latest Practicable Date, Target Company Options granted to 483 grantees with respect to 6,283,752 underlying Target Company Shares (as adjusted to 120,197,682 Successor Company Shares upon completion of Capitalization Issue) under 2016 Share Incentive Plan remain outstanding, representing approximately 8.84% of the Successor Company Shares immediately after the De-SPAC Transactions (assuming the Presumptions).

The grantees include (i) four senior management members of the Successor Company, including Mr. Yang Zheng who is the chief information officer and vice president of software engineering of the Successor Company, Mr. Chen Larry Dong who is the President of the China Region of the Successor Company, and Dr. Bao and Dr. Li Yimin who are also Directors of the Successor Company, (ii) one consultant, namely Mr. Philip Lassner, our consultant head of business development of global Intelligent Transport Systems, (iii) two other current employees, each of whom were granted Target Company Options to subscribe for 2,800,000 Successor Company Shares (taking into account the Capitalization Issue) or more, namely Mr. Zhigang Liao, our global business and finance controller, and Mr. Peng Wan, our director of system and application engineering. Collectively, they have been granted Target Company Options with respect to 3,882,671 underlying Target Company Shares (as adjusted to 74,269,012 Successor Company Shares upon completion of Capitalization Issue), representing approximately 5.46% of the Successor Company Shares immediately after the De-SPAC Transactions (assuming the Presumptions). There were no Target Company Options granted to connected persons who are not Directors of the Successor Company, and no Target Company Options were granted to other Directors, senior management members, consultants or connected persons of the Successor Company.

The Target Company has applied for, and has been granted a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of paragraph 27 of Appendix D1A to the Listing Rules in connection with the information of the Target Company Options granted under the 2016 Share Incentive Plan. For further details, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules" in this circular.

We set forth below the details of the outstanding Target Company Options granted pursuant to the 2016 Share Incentive Plan to Directors, senior management members, core connected persons, consultant, and other current employees who were each granted Target Company Options to subscribe for 2,800,000 Successor Company Shares (taking into account the Capitalization Issue) or more as of the date of this Circular:

Name of Grantee	Position held with the Target Company	Address	Exercise price per Successor Company Share[(1)]	Number of Successor Company Shares underlying the outstanding Target Company Options granted[(1)]	Date of grant	Vesting period[(2)]	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[(3)]
Directors, senior management and core connected persons							
Dr. Bao Junwei (鮑君威)	Executive Director, chairman of the Board, president and chief executive officer	68 Pine Ln, Los Altos, CA, 94022-1639	US$0.06	57,050,359	11/05/2021	4 years	4.19%
Dr. Li Yimin (李義民)	Executive Director and chief technology officer	10367 Greenwood Ct APT 1, Cupertino, CA, 95014-3341	US$0.06	6,598,604	11/05/2021	4 years	0.49%
Senior management							
Mr. Yang Zheng (楊正)	Chief information officer and vice president of software engineering	9306 Scenic Bluff Dr, Austin, TX, 78733-6038	US$0.45	612,107	16/06/2024	1 year	0.04%
Mr. Chen Larry Dong (陳東)	President of China region	蘇州市相城區蓉萃商業廣場3幢2503室	US$0.46	3,825,666	29/08/2024	4 years	0.28%
Consultant							
Mr. Philip Lassner[(4)]	Consultant head of business development of global Intelligent Transport Systems	6527 ch. Wallenberg Cote Saint-Luc, Quebec. H4W 3H6 Canada	US$0.51	382,567	14/10/2024	conditional upon performance	0.03%

Name of Grantee	Position held with the Target Company	Address	Exercise price per Successor Company Share[1]	Number of Successor Company Shares underlying the outstanding Target Company Options granted[1]	Date of grant	Vesting period[2]	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[3]
Other current employees with outstanding Target Company Options to subscribe for an aggregate of 2,800,000 Succesor Company Shares or more							
Mr. Zhigang Liao	Global business and finance controller	3350 Carlyle Ter, Lafayette, CA, 94549	From US$0.0638 to US$0.4470	2,892,203	From 18/04/2019 to 16/06/2024	From 1 year to 4 years	0.21%
Mr. Peng Wan	Director of system and application engineering	3330 Alder Ave, Fremont, CA, 94536	From US$0.0638 to US$0.4470	2,907,506	From 22/02/2019 to 20/06/2024	From 1 year to 4 years	0.21%
Total				**74,269,012**			**5.46%**

We set forth below the details of the outstanding Target Company Options granted pursuant to the 2016 Share Incentive Plan to other grantees as of the date of this Circular[5]:

	Exercise price per Successor Company Share[1]	**Number of Successor Company Shares underlying the outstanding Target Company Options granted[1]**	**Date of grant**	**Vesting period[2]**	**Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[3]**
419 other grantees with outstanding Target Company Options to subscribe for 1 to 99,999 Successor Company Shares	From US$0.0638 to US$0.5081	8,638,756	From 18/04/2019 to 25/11/2024	From 1 year to 4 years	0.64%

	Exercise price per Successor Company Share[(1)]	Number of Successor Company Shares underlying the outstanding Target Company Options granted[(1)]	Date of grant	Vesting period[(2)]	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[(3)]
44 other grantees with outstanding Target Company Options to subscribe for between 100,000 to 999,999 Successor Company Shares	From US$0.0638 to US$0.5081	11,644,620	From 22/02/2019 to 14/10/2024	From 1 year to 4 years	0.86%
13 other grantees with outstanding Target Company Options to subscribe for between 1,000,000 to 4,999,999 Successor Company Shares	From US$0.0037 to US$0.5081	25,645,295	From 17/08/2017 to 25/11/2024	From 1 year to 4 years	1.89%
Total		**45,928,670**			**3.38%**

Notes:

(1) The exercise price and the number of Successor Company Shares underlying the Target Company Options granted shown above is the adjusted amount and number upon completion of the Capitalization Issue.

These Target Company Options were granted with nil consideration.

(2) The exercise period shall commence on the date on which the relevant Target Company Option is vested and end on the tenth anniversary of the date of the grant, subject to the terms of the award agreement executed between the Target Company and the grantee.

(3) The approximate percentage of shareholding in the total issued Successor Company Shares is calculated based on the total number of 1,360,240,000 Successor Company Shares immediately after the Closing assuming the Presumptions.

(4) Mr. Philip Lassner leads the creation and scaling of a new business unit focused on expanding the Target Company's reach in the Intelligent Transport Systems sector.

(5) None of these grantees is a Director, senior management, consultant or connected persons of the Target Company.

(ii) Target Company RSUs

As of the Latest Practicable Date, Target Company RSUs to subscribe for 313,082 Target Company Shares (as adjusted to 5,988,736 Successor Company Shares upon completion of Capitalization Issue), has been granted to 24 grantees under the 2016 Share Incentive Plan, representing approximately 0.4403% of the Successor Company Shares immediately after completion of the De-SPAC Transaction (assuming the Presumptions). The grantees include one senior management members of the Successor Company, Mr. Yao Yuan, who is the chief financial officer of the Successor Company. Mr. Yao has been granted Target Company RSUs with respect to 48,256 underlying Target Company Shares (as adjusted to 923,057 Successor Company Shares upon completion of Capitalization Issue), representing approximately 0.0679% of the Successor Company Shares immediately after the De-SPAC Transactions (assuming the Presumptions). The vesting period of the Target Company RSUs is four months to four years.

No Target Company Options or Target Company RSUs under the 2016 Share Incentive Plan will be further granted upon completion of the De-SPAC Transaction. For more details of the 2016 Share Incentive Plan, see the section headed "– E. Employee Incentive Plans" to the Circular. No consideration is payable by the grantees upon acceptance of the grant of the Target Company Options and Target Company RSUs.

We set forth below the details of the outstanding Target Company RSUs granted pursuant to the 2016 Share Incentive Plan to the senior management member of the Successor Company as of the date of this Circular:

Name of Grantee	Position held with the Target Company	Address	Number of Successor Company Shares underlying the outstanding Target Company RSUs granted[(1)]	Date of grant	Vesting period	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[(2)]
Mr. Yao Yuan (姚遠)	Chief financial officer	301, Building 11, Lane 300, Hongfeng Road, Pudong New Area, Shanghai, PRC	923,057	24/03/2025	Four years	0.0679%

We set forth below the details of the outstanding Target Company RSUs granted pursuant to the 2016 Share Incentive Plan to other grantees as of the date of this Circular:

Other Grantees[1]	Number of Successor Company Shares underlying the outstanding Target Company RSUs granted[2]	Date of grant	Vesting period	Approximate percentage of shareholding in the total issued Successor Company Shares interested upon completion of the De-SPAC Transaction[3]
23	5,065,679	From 05/01/2024 to 13/10/2025	Four months to four years	0.3724%

Notes:

(1) None of these grantees is a Director, senior management or connected persons of the Target Company.

(2) The number of Successor Company Shares underlying the Target Company RSUs granted shown above is the adjusted amount and number upon completion of the Capitalization Issue.

(3) The approximate percentage of shareholding in the total issued Successor Company Shares is calculated based on the total number of 1,360,240,000 Successor Company Shares immediately after the Closing assuming the Presumptions.

(4) These Target Company RSUs were granted with nil consideration.

(c) Dilution effect and impact on earnings per share

As of the Latest Practicable Date, the Target Company had issued 765,656 Company Shares (as adjusted to 14,645,721 Successor Company Shares upon completion of Capitalization Issue) to Enlightning Limited for the purpose of holding and transferring the relevant Target Company Shares in respect of vested Target Company Options to specified participants, under the 2016 Share Incentive Plan. Target Company Options granted to 483 grantees with respect to 6,283,752 underlying Target Company Shares (as adjusted to 120,197,682 Successor Company Shares upon completion of Capitalization Issue) and Target Company RSUs granted to 24 grantees to subscribe for 313,082 Target Company Shares (as adjusted to 5,988,736 Successor Company Shares upon completion of the Capitalization Issue) remain outstanding, representing approximately 9.28% of the Successor Company Shares immediately after the De-SPAC Transactions (assuming the Presumptions). As such, taking into account the Successor Company Shares to be allotted and issued upon exercise of Target Company Options and vesting of Target Company RSUs under the 2016 Share Incentive Plan, the shareholding of the Successor Company Shareholders immediately following completion of the De-SPAC Transaction (assuming the Presumptions) will be diluted by approximately 8.49%, and the dilution impact on loss per share is nil.

2. Post-Listing Share Incentive Plan

The following is a summary of the principal terms of the Post-Listing Share Incentive Plan conditionally adopted by the Target Company Shareholders on December 20, 2024 with effect from Listing. The terms of the Post-Listing Share Incentive Plan will be governed by Chapter 17 of the Listing Rules. The Successor Company will comply with Chapter 17 of the Listing Rules for the options or awards to be granted under the Post-Listing Share Incentive Plan after the completion of the De-SPAC Transaction. The Successor Company Shares with respect to the Post-Listing Share Incentive Plan will only be issued after Listing upon exercise of the outstanding Target Company Options and/or vesting of Target Company RSUs (as the case may be) by the relevant grantees.

Eligible Persons to the Post-Listing Share Incentive Plan

(i) Any individual, being an employee or director (including executive Directors, non-executive Directors and independent non-executive Directors) of any member of the Successor Group (the "**Employee Participant(s)**"); (ii) an employee or director of the holding companies, fellow subsidiaries or associated companies of the Successor Company (the "**Related Party Participant(s)**"); and (iii) any person or corporate entity (other than an employee or a director of any member of the Successor Group) who provides services to the Successor Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term development of the Successor Group (the "**Service Provider(s)**", together with Employee Participant, Related Party Participant, the "**Eligible Person(s)**") whom the Successor Board, or a committee of the Successor Board (the "**Scheme Administrator**"), considers, in its sole discretion, to have contributed or will contribute to the Successor Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-Listing Share Incentive Plan is not permitted under the laws and regulations of such place or a place where, in the view of the Successor Board (or the Scheme Administrator), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-Listing Share Incentive Plan.

Purposes of the Post-Listing Share Incentive Plan

The purposes of the Post-Listing Share Incentive Plan is to align the interests of Eligible Persons with those of the Successor Group through ownership of the Successor Company Shares, dividends and other distributions paid on the Successor Company Shares and/or the increase in value of the Successor Company Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Successor Group.

As further set out in this section, the grant of the Awards under the Post-Listing Share Incentive Plan are made to the Eligible Persons. With such scope of Eligible Persons, together with (a) the minimum vesting period of not less than 12 months from the date of grant except as otherwise provided, (b) the performance targets to be attained by the individual grantees which directly affects the Successor Group's business and financial performance and (c) clawback mechanism (as further elaborated below) which aims to avoid offering incentive to Eligible Persons with Awards granted despite his/her misconduct or failure to meet the performance standard after the grant, the Successor Board believes that these provisions will

align with the purpose of the Post-Listing Share Incentive Plan, such that the relevant grantees will share common interests and objectives with the Successor Group upon vesting of the Awards and have strong incentive to stay with the Successor Group which is beneficial to the sustainable development of the Successor Group. These provisions are meant to retain the competent Eligible Persons by encouraging and recognizing the continuous contribution of Eligible Persons which is crucial to the success and growth of business development of the Successor Group in the long run.

Awards

Awards ("**Award(s)**") means an option ("**Option**") or an award granted by the Successor Board (or the Scheme Administrator) to a selected participant pursuant to the Post-Listing Share Incentive Plan. An Award gives a selected participant a conditional right, when the Awards vest, to obtain the Successor Company Shares allotted and issued, or transferred (in the case of any treasury shares), to a selected participant, or transferred to, or held on trust for, a selected participant by a trustee (the "**Trustee**") pursuant to the exercise/vesting of an Award (the "**Award Shares**"), or, if in the absolute discretion of the Successor Board (or the Scheme Administrator), it is not practicable for the selected participant to receive the Award in the Successor Company Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends or other distributions in respect of those Successor Company Shares from the date the Award vests (the "**Vesting Date**"). For the avoidance of doubt, the grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions from any Successor Company Shares underlying an unvested Award or an unexercised option.

The Successor Company may issue new Successor Company Shares or utilize treasury shares (if any) to satisfy grant(s) of the Award(s) under the Post-Listing Share Incentive Plan.

Grant of Award

Making the Grant

The Successor Company shall, in respect of each Award, on the date of grant ("**Grant Date**") issue a letter ("**Award Letter**") to each selected participant in such form as the Successor Board (or the Scheme Administrator) may from time to time determine, which may specify the number of Award Shares in respect of which the Award relates, any vesting criteria and conditions, the vesting date(s) for the Award, the date by which the grant must be accepted and such other details as the Successor Board (or the Scheme Administrator) may consider necessary, and requiring the selected participant to undertake to be bound by the terms and provisions of the scheme rules.

Each grant of an Award to any Director, chief executive or substantial shareholder of the Successor Company or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors of the Successor Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards). Furthermore, where:

(i) any grant of Awards (but excluding grant of Options) to any director (other than an independent non-executive director) or chief executive of the Successor Company would result in the Successor Company Shares issued and to be issued in respect of all Awards granted (excluding Awards lapsed in accordance with the terms of the Post-Listing Share Incentive Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Successor Company Shares in issue at the time of the proposed grant (excluding treasury shares of the Successor Company); or

(ii) any grant of Awards to an independent non-executive director or substantial shareholder of the Successor Company or any of their respective associates would result in the number of the Successor Company Shares issued and to be issued in respect of all Awards granted (excluding Awards lapsed in accordance with the terms of the Post-Listing Share Incentive Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Successor Company Shares in issue at the time of the proposed grant (excluding treasury shares of the Successor Company),

such further grant of Awards must be approved by the Successor Company Shareholders in general meeting in the manner required and subject to the requirements set out in the Listing Rules.

The total number of the Successor Company Shares issued and to be issued upon the vesting or exercise of Awards granted and to be granted under the Post-Listing Share Incentive Plan and other awards schemes of the Successor Company to each selected participant (excluding Awards lapsed in accordance with the Post-Listing Share Incentive Plan) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of the Successor Company Shares in issue as at the time of the proposed grant (excluding treasury shares of the Successor Company) (the "**Individual Limit**"). Any further grant of Awards to a selected participant which would exceed the Individual Limit shall be subject to separate approval of the Successor Company Shareholders in general meeting in accordance with the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Successor Board (or the Scheme Administrator) proposing any such further grant shall be taken as the grant date for the purpose of calculating the exercise price of such Options.

Restrictions on Grants and Timing of Grants

The Successor Board (or the Scheme Administrator) may not grant any Award to or for the benefit of any selected participant in any of the following circumstances:

(a) where the requisite approval from any applicable regulatory authorities has not been granted, provided that to the extent permissible under applicable laws, rules and regulations, an Award may be made conditional upon such approval being obtained;

(b) where any member of the Successor Group will be required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Post-Listing Share Incentive Plan;

(c) where such grant would result in a breach by any member of the Successor Group or its directors of any applicable laws, rules or regulations in any jurisdiction;

(d) (save where relevant waiver(s) from the Stock Exchange and/or the required approval of the Shareholders have been obtained) where such grant of Award would result in a breach of the Post-Listing Share Incentive Plan Limit (as defined below) or the Individual Limit and/or the Service Providers Limit (as defined below), or the minimum public float requirement as required under the Listing Rules (or the minimum percentage of public float as prescribed by the Stock Exchange), or would otherwise cause the Successor Company to issue or transfer (in the case of any treasury shares) the Successor Company Shares in excess of the permitted amount in the mandate approved by the Successor Company Shareholders;

(e) where an Award is to or for the benefit of a connected person and will require specific approval of the Successor Company Shareholders under the Listing Rules, until such Successor Company Shareholders' approval is obtained, provided that to the extent permissible under applicable laws, rules and regulations, an Award may be made conditional upon such Successor Company Shareholders' approval being obtained;

(f) in circumstances prohibited by the Listing Rules or where dealings by the selected participant will be prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations; and

(g) during the period commencing 30 days immediately before the earlier of:

  (i) the date of the Successor Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Successor Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Successor Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;

The Successor Board (or the Scheme Administrator) may not grant any Award to any Director of the Successor Company in the following period:

(a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional (for example, where a pressing financial commitment has to be met) and otherwise in accordance with the Listing Rules.

Maximum Number of Shares to be Granted

The maximum number of Successor Company Shares which may be issued pursuant to the Awards granted and to be granted under the Post-Listing Share Incentive Plan, when aggregated with the number of Successor Company Shares which may be issued pursuant to other awards schemes of the Successor Company, shall not exceed 5% of the Successor Company Shares in issue as at the date of the Listing (excluding treasury shares of the Successor Company) (the "**Scheme Limit**"). Furthermore, the total number of Successor Company Shares which may be issued pursuant to the Awards granted and to be granted to Service Providers under the Post-Listing Share Incentive Plan shall not exceed 0.5% of the Successor Company Shares in issue as at the date of the Listing (excluding treasury shares of the Successor Company) (the "**Service Providers Limit**"). For the avoidance of doubt, the Service Providers Limit is within and is subject to the Scheme Limit and that any Successor Company Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the scheme rules will not be regarded as utilized for the purpose of calculating the Scheme Limit or the Service Providers Limit.

The Company may issue new Successor Company Shares or use treasury shares to satisfy the grant of the Awards under the Post-Listing Share Incentive Plan.

The Successor Company may refresh the Scheme Limit and/or the Service Providers Limit:

(i) from the later of three years after the adoption date of the Scheme or three years after the date of the previous refreshment of the Scheme Limit and/or the Service Providers Limit (as the case may be) by obtaining the Successor Company Shareholders' approval; or

(ii) within any of the aforementioned three-year period by obtaining the Successor Company Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules,

provided that the total number of new Successor Company Shares which may be issued upon exercise of all Awards to be granted under the Post-Listing Share Incentive Plan and other awards schemes of the Successor Company under the Scheme Limit as refreshed must not exceed 10% of the relevant class of the Successor Company Shares in issue (excluding treasury shares of the Successor Company) as at the date of such Successor Company Shareholders' approval, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time.

The Successor Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the Scheme Limit, provided that the Awards in excess of the Scheme Limit are granted only to Eligible Participants specifically identified by the Successor Company before such approval is sought and subject to compliance with other relevant requirements prescribed under the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Successor Board proposing such grant should be taken as the Grant Date for purpose of calculating the exercise price of such Options.

Exercise Price

In respect of Awards to be granted in the form of Options, the Successor Board (or the Scheme Administrator) shall determine and notify the selected participant in the Award Letter:

(i) the exercise price in respect of such Options, provided that such exercise price must be at least the higher of (a) the closing price of the Successor Company Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day; (b) the average closing price of the Successor Company Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Grant Date; and (c) the nominal value of a Successor Company Share, provided that in the event of fractional prices, the exercise price per Successor Company Share shall be rounded upwards to the nearest whole cent; and the option period for such Options, provided that the option period shall in any event be no longer than ten years from the Grant Date. An Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date.

Rights attached to the Award

Awards do not carry any right to vote at general meetings of the Successor Company, nor any right to dividends, transfer or other rights. The selected participants do not have any rights to any cash or non-cash income, dividends or distributions and/or sale proceeds of non-cash and non-scrip distributions from any Successor Company Shares underlying an unvested Award or an unexercised Option.

Issue of Shares and/or transfer of funds to the Award Trustee

Where a trust has been established, subject to the Successor Company's discretion and the restrictions below, the Successor Company may (a) issue and allot Successor Company Shares (or transfer (in the case of any treasury shares)) to the Trustee and/or (b) instruct the Trustee to acquire the Successor Company Shares through on-market transactions at prevailing market prices from funds provided by the Successor Company, in either case for purposes of satisfying the Awards upon their vesting or exercise.

The Successor Company shall not issue or allot the Successor Company Shares (nor transfer (in the case of any treasury shares)) nor instruct the Trustee to acquire the Successor Company Shares through on-market transactions, where such action (as applicable) is prohibited under the Listing Rules, the Securities and Futures Ordinance or other applicable laws, rules or regulations from time to time. Where such a prohibition causes the prescribed timing imposed by the Post-Listing Share Incentive Plan Rules or the trust deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first business day on which the prohibition no longer prevents the relevant action.

Assignment of Awards

Any Awards granted under the Post-Listing Share Incentive Plan are personal to the selected participants to whom they are granted and cannot be assigned or transferred, except in circumstances where approval from the Successor Board has been obtained and the transfer is in compliance with the Listing Rules (or a waiver has been granted by the Stock Exchange for such transfer) and provided that any such transferee agrees to be bound by the Post-Listing Share Incentive Plan and the rules of the Post-Listing Share Incentive Plan as if the transferee were the selected participant.

Vesting of Awards

The Successor Board (or the Scheme Administrator) may from time to time while the Post-Listing Share Incentive Plan is in force and subject to all applicable laws, rules and regulations, determine the applicable vesting date and any other criteria and conditions for vesting of the Awards in its sole and absolute discretion.

The vesting period in respect of any Award shall not be less than 12 months from the Grant Date, except that with respect to a selected participant who is an employee participant, a shorter vesting period may be permitted in circumstances set out below:

(i) grants as "make whole" Awards to a new employee participant upon joining the Successor Group to replace the share awards such selected participant forfeited when leaving his/her previous employer;

(ii) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;

(iii) grants of Awards which are subject to the fulfilment of performance-based vesting conditions as stated below, in lieu of time-based vesting criteria;

(iv) grants of Awards the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the employee participant, in which case the vesting date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative and/or compliance reasons;

(v) grants of Awards with a mixed vesting schedule such that the Awards may vest evenly over a period of 12 months; or

(vi) grants of Awards with a total vesting and holding period of more than 12 months.

The Successor Board (or the Scheme Administrator) may, in respect of each Award and subject to applicable laws and regulations, determine any performance targets or other criteria as condition(s) to the vesting of Awards. Such targets may comprise a mixture of performance criteria from both the corporate and the individual perspectives (such as the financial performance or achievement of milestones by a member of the Successor Group and/or attainment of key performance indicators by the selected participant), having regard to the different roles and contributions of the selected participants and the purposes of the Post-Listing Share Incentive Plan. Review and evaluation procedures should be put in place for an impartial assessment of such targets, provided that a determination of the Successor Board (or the Scheme Administrator) as to whether such targets have been achieved or satisfied shall be conclusive and binding on all parties.

If any of the vesting conditions (including any performance targets as mentioned above) for the Awards are not satisfied on the relevant vesting date, the relevant Awards shall not be vested in the selected participant, unless the Successor Board (or the Scheme Administrator) elects to postpone the vesting date of the relevant Awards for an appropriate period in its sole and absolute discretion. If the vesting conditions of the postponed Awards are not satisfied at the postponed vesting date and the vesting date is not further postponed, the relevant Awards shall automatically lapse.

If, at the determination of the Successor Board (or the Scheme Administrator), it may not be practicable for a selected participant to receive Award Shares due to any legal and/or regulatory restrictions, the Successor Board (or the Scheme Administrator) may arrange to sell on-market at prevailing market prices, such number of Award Shares so vested in the selected participant and pay the actual selling price arising from such sale of Award Shares to the selected participant.

Reorganization of Capital Structure

Where there is any alteration in the capital structure of the Successor Company by way of a sub-division, consolidation or reduction of the share capital of the Successor Company, a capitalization issue or a rights issue (other than an alteration in the Successor Company's capital structure as a result of an issue of the Successor Company Shares as consideration in a transaction to which the Successor Company is a party), the Successor Board (or the Scheme Administrator) shall make such corresponding adjustments (if any) as it may deem appropriate to reflect such changes with respect to:

(i) the number of the Successor Company Shares constituting the Scheme Limit and/or the Service Providers Limit, provided that in the event of any subdivision or consolidation of the Successor Company Shares, the Scheme Limit and the Service Providers Limit as a percentage of the total issued Successor Company Shares (excluding treasury shares) at the date immediately before the consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;

(ii) the number of the Successor Company Shares underlying each Award (to the extent any Award has not yet been exercised); and/or

(iii) the exercise price of any outstanding Options and/or the purchase price (if any) of the Award Shares subject to any outstanding Awards,

or any combination thereof, to satisfy the relevant requirements of the Listing Rules and are, fair and reasonable generally or as regards any particular selected participant, provided that (i) any such adjustments should give each selected participant the same proportion of the equity capital of the Successor Company (rounded to the nearest whole Successor Company Share) as that to which that selected participant was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in a Successor Company Share being issued or transferred at less than its nominal value (if any). In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the auditors of the Company must confirm to the Board in writing that the adjustments satisfy such requirement.

All fractional shares (if any) arising out of any such alterations in respect of the Award Shares of a selected participant shall be deemed as returned Successor Company Shares and shall not be transferred to the relevant selected participant on the relevant vesting date.

Lapse or cancellation of Awards

Without prejudice to other circumstances where an Award shall lapse pursuant to the terms in an Award Letter as determined by the Successor Board (or the Scheme Administrator) at its discretion, an Award shall lapse automatically (to the extent not already vested in the selected participant and, where relevant, exercised) on the earliest of:

(a) the expiry of the applicable option period;

(b) the expiry of any of the periods for exercising an Option referred to or other circumstances as set out in the rules of the Post-Listing Share Incentive Plan;

(c) the date on which the selected participant commits a breach of any terms or conditions (if any) attached to the grant of the Award, unless otherwise resolved to the contrary by the Successor Board or the Scheme Administrator;

(d) the non-satisfaction of any vesting conditions for the Awards as determined by the Successor Board (or the Scheme Administrator) pursuant to rules of the Post-Listing Share Incentive Plan;

(e) the date on which there is an actual or purported breach of the provision of the Post-Listing Share Incentive Plan (with respect to the transferability of the Award Shares) by the selected participant as determined by the Successor Board or such other person(s) delegated this function by the Board or the Scheme Administrator; and

(f) the date on which the Successor Board (or the Scheme Administrator) makes a determination that the Awards granted shall lapse pursuant to rules of the Post-Listing Share Incentive Plan.

Any Awards granted but not yet vested or exercised may be cancelled by the Successor Board (or the Scheme Administrator) in the event of any serious misconduct of the selected participant or in other specific circumstances as the Successor Board (or the Scheme Administrator) deems appropriate. The Awards so cancelled will be regarded as utilized for the purpose of calculating the relevant Scheme Limit and the Service Providers Limit. Issuance of new Awards to the same selected participant whose Awards have been cancelled may only be made with Awards available under the Scheme Limit and in compliance with the Listing Rules.

Clawback mechanism

Upon the occurrence of any of the following in relation to a selected participant, the Successor Board (or the Scheme Administrator) may make a determination at its sole and absolute discretion that (1) any Awards issued to that selected participant but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not; and (2) with respect to any Successor Company Shares issued and/or transferred to that selected participant,

the Selected Participant shall be required to transfer back to the Successor Company or its nominee(s): (A) the equivalent number of the Successor Company Shares, (B) an amount in cash equal to the market value of such Successor Company Shares, or (C) a combination of (A) and (B); and/or (3) with respect to any Award Shares held by the Trustee for the benefit of that selected participant, those Award Shares shall no longer be held on trust for nor inure to benefit of the selected participant:

(a) the selected participant ceases to be an Eligible Person by reason of the termination of his/her/its employment or contractual engagement with any member of the Successor Group for any serious misconduct or without notice or with payment in lieu of notice;

(b) the selected participant has contravened the relevant laws and regulations of the PRC and/or Hong Kong involving his/her/its integrity or honesty;

(c) the selected participant has been involved in acceptance or solicitation of bribery, corruption, theft, leakage of any trade or technical secrets, or conducted any related transactions or other unlawful acts or misconduct which, in the reasonable opinion of the Successor Board (or the Scheme Administrator), prejudiced the interest of or caused significant negative impact to the Successor Company;

(d) in the reasonable opinion of the Successor Board (or the Scheme Administrator), the selected participant has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious and adverse consequences to the Successor Company; or

(e) in the reasonable opinion of the Successor Board (or the Scheme Administrator), the selected participant has engaged in any serious misconduct or breach of the terms of the Post-Listing Share Incentive Plan or any terms or conditions attached to the grant of the Award in any material respect.

Alteration of the Post-Listing Share Incentive Plan

Subject to the Scheme Limit and the rules of the Post-Listing Share Incentive Plan, the Successor Board (or the Scheme Administrator) may amend any of the provisions of the Post-Listing Share Incentive Plan or any Awards granted under the Post-Listing Share Incentive Plan at any time and in any respect, provided that the terms of the Post-Listing Share Incentive Plan or Awards so amended must still comply with the requirements of Chapter 17 of the Listing Rules (as applicable). Approval of the Successor Company Shareholders in general meeting is required for any amendment to the terms of the Post-Listing Share Incentive Plan which are of a material nature or to any provisions of the Post-Listing Share Incentive Plan which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of selected participants.

Any change to the terms of any Award the grant of which was subject to the approval of a particular authority (such as the Successor Board or any committee thereof, the independent non-executive Directors or the Shareholders in general meeting, as the case may be) shall be subject to approval by that same authority, provided that this requirement does not apply where the relevant alteration takes effect automatically under the terms of the Scheme. Without limiting the foregoing, any change in the terms of the Awards granted to any selected participant who is a Director, chief executive or substantial shareholder of the Successor Company, or any of their respective associates, must be approved by the Successor Company Shareholders in general meeting in the manner required by the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the terms of the Post-Listing Share Incentive Plan).

Termination

The Post-Listing Share Incentive Plan shall terminate on the earlier of:

(i) the end of the period of ten years commencing on the date of the Listing, except otherwise as may be required in accordance with the provisions of the Post-Listing Share Incentive Plan; and

(ii) such date of early termination as determined by the Successor Board,

following which no further Awards will be offered or granted under the Scheme, provided that notwithstanding such termination, the Post-Listing Share Incentive Plan and the rules of the Post-Listing Share Incentive Plan shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted and remaining unvested, unexercised and unexpired prior to the termination of the Post-Listing Share Incentive Plan, and that such termination shall not affect the subsisting rights already granted to a selected participant.

Administration of the Post-Listing Share Incentive Plan

The Successor Board has the power to administer the Post-Listing Share Incentive Plan in accordance with the rules of the Post-Listing Share Incentive Plan and, where applicable, the trust deed, including the power to construe and interpret the rules of the Post-Listing Share Incentive Plan and the terms of the Awards granted under the Post-Listing Share Incentive Plan. The Successor Board may delegate the authority to administer the Post-Listing Share Incentive Plan to the Scheme Administrator or other person(s) as deemed appropriate at the sole discretion of the Successor Board. The Successor Board (or the Scheme Administrator) may also appoint one or more independent third-party contractors to assist in the administration of the Post-Listing Share Incentive Plan as they think fit.

Grant of Shares under the Post-Listing Share Incentive Plan

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, new Successor Company Shares underlying any Awards which may be granted pursuant to the Post-Listing Share Incentive Plan.

As of the Latest Practicable Date, no Successor Company Shares had been granted or agreed to be granted by the Successor Company pursuant to the Post-Listing Share Incentive Plan. The grant and vesting of any Successor Company Shares which may be granted pursuant to the Post-Listing Share Incentive Plan will be in compliance with Rule 10.08 of the Listing Rules.

F. OTHER INFORMATION

1. Estate duty

The Directors of the Successor Company have been advised that no material liability for estate duty is likely to fall upon any member of the Successor Group.

2. Litigation

(a) As to TechStar

As of the Latest Practicable Date, there was no litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance which was to the knowledge of the TechStar Directors pending or threatened against TechStar.

(b) As to the Target Group

As of the Latest Practicable Date, except as otherwise disclosed, there was no litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance which was to the knowledge of the Target Company Directors pending or threatened against the Target Group.

3. Application for Listing

The Joint Sponsors has made an application on behalf of the Successor Company to the Listing Committee for the listing of, and permission to deal in, (a) the Successor Company Shares in issue upon completion of De-SPAC Transaction (including the Target Company Shares in issue as of the Latest Practicable Date, the Target Company Ordinary Shares to be issued upon Target Company Shares Conversion and Capitalization Issue, the Successor Company Shares to be issued to the TechStar Class A Shareholders and the Promoters as a result of the Merger), (b) the Successor Company Shares to be issued to PIPE Investors pursuant to the PIPE Investment Agreements, (c) the Successor Company Shares which may be issued pursuant to the 2016 Share Incentive Plan and the Post-Listing Share Incentive Plan and (d) Successor Company Listed Warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules.

4. CSRC Filing

On October 14, 2025, the CSRC issued a notification on the Target Company' completion of the PRC filing procedures for the listing of the Successor Company Shares and Successor Company Listed Warrants on the Stock Exchange.

5. No Material Adverse Change

The Directors confirm that there has been no material change in the financial or trading position or prospects of the Target Group since December 31, 2024 (being the dated to which the latest consolidated financial statements of the Target Group were prepared).

6. The Joint Sponsors and Joint Sponsors' fees

China Securities (International) Corporate Finance Company Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Zero2IPO Capital Limited is not considered independent under Rule 3A.07 of the Listing Rules given it is a promoter of TechStar. CITIC Securities (Hong Kong) Limited is not considered independent under Rule 3A.07 of the Listing Rules given it is in the same group of companies as CNCB (Hong Kong) Capital Limited, which is in turn a promoter of TechStar.

The fees payable by the Target Company to Zero2IPO Capital Limited, CITIC Securities (Hong Kong) Limited and China Securities (International) Corporate Finance Company Limited for acting as the sponsors to the Target Company in connection with the De-SPAC Transaction are US$300,000, US$300,000 and US$200,000, respectively.

It is expected that the Overall Coordinators and the Capital Market Intermediaries will in aggregate receive approximately 3.5% of the gross proceeds from the PIPE Investments and the Permitted Equity Financing (if any) (the "**Fixed Fees**"). The Target Company may, at its sole discretion, pay to the Overall Coordinators and the Capital Market Intermediaries an additional discretionary fee of up to 1% of the gross proceeds of the PIPE Investments and the Permitted Equity Financing (if any) (the "**Discretionary Fees**"). Assuming the aforesaid fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable to the Overall Coordinators and the Capital Market Intermediaries is therefore approximately 78%:22%.

7. Preliminary expenses

The Target Company has not incurred any material preliminary expenses.

8. Promoter

The Target Company has no promoter. Within the two years immediately preceding the date of this circular, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the De-SPAC Transaction and the related transactions described in this circular.

9. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Zero2IPO Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Fangda Partners	Qualified PRC Lawyers
Han Kun Law Offices	Litigation Counsel
BZW Law Firm	Litigation Counsel
Jingtian & Gongcheng	Legal adviser to the Joint Sponsors and the Overall Coordinators as to PRC law
Walkers (Hong Kong)	Legal adviser to the Target Company as to Cayman Islands law
China Insights Industry Consultancy Limited	Industry consultant
Hogan Lovells International LLP	Legal adviser to our Company as to U.S. export control laws and U.S. foreign investment laws

10. Consent of Experts

Each of the experts mentioned in the subsection headed "– F. Other Information – 9. Qualification of Experts" above has given and has not withdrawn its respective written consent to the issue of this circular with the inclusion of its report and/or letter and/or opinion and/or the references to its name included in this circular in the form and context in which it is respectively included.

11. Binding Effect

This circular shall have the effect, if an application is made in pursuance of this circular, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

12. Bilingual Document

The English and Chinese language versions of this circular are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

(a) Save as disclosed in this section, within the two years immediately preceding the date of this circular:

(i) no share or loan capital of the Target Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of the Target Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no founders or management or deferred shares of the Target Company or any of its subsidiaries have been issued or agreed to be issued;

(iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any capital of the Target Company or any of its subsidiaries; and

(v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in the Target Company or any of our subsidiaries.

(b) Save as disclosed in the section headed "History, Development and Corporate Structure of the Target Group", the Target Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities.

(c) The Directors of the Target Company confirm that:

(i) there has been no material adverse change in the financial or trading position or prospects of the Target Group since December 31, 2024 (being the date to which the latest consolidated financial statements of the Target Group were prepared);

(ii) there is no arrangement under which future dividends are waived or agreed to be waived;

(iii) there is no contract for hire or hire purchase of plant to or by the Target Group for a period of over one year which are substantial in relation to the Target Group's business; and

(iv) there has not been any interruption in the business of the Target Group which may have or has had a significant effect on the financial position of the Target Group in the 12 months preceding the date of this circular.

(d) The principal register of members of the Successor Company will be maintained in the Cayman Islands by its Principal Share Registrar. Unless the Successor Company Directors otherwise agree, all transfer and other documents of title of the Successor Company Shares must be lodged for registration with and registered by the Hong Kong Share Registrar of the Successor Company.

(e) All necessary arrangements have been made to enable the Successor Company Shares to be admitted into CCASS for clearing and settlement.

(f) No part of the equity or debt securities of the Target Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought.

(g) Save as otherwise disclosed in the circular, there are no contracts or arrangements subsisting at the date of this circular in which a Director of the Target Company is materially interested or which is significant in relation to the business of the Target Group.

(h) There is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

The Successor Company Listed Warrants will be issued subject to and with benefit of an instrument (the "**Instrument**") by way of deed poll. The Successor Company Listed Warrants will be issued in certificated form under the Instrument and be either (a) deposited in CCASS, or (b) held by the relevant Successor Company Warrantholder outside of CCASS and the Successor Company Promoter Warrants will be issued in certificated form under the Successor Company Promoter Warrant Agreement.

The terms of the Successor Company Promoter Warrants are identical to those of the Successor Company Listed Warrants, including with respect to the warrant exercise and redemption provisions, except that the Successor Company Promoter Warrants (i) will not be listed, and (ii) are not exercisable until 12 months after the Closing as required by the Listing Rules. Further, the Promoters will remain as the beneficial owners of the Successor Company Promoter Warrants for the lifetime of the Successor Company Promoter Warrants unless (i) they are surrendered to the Successor Company in the circumstances contemplated by the Listing Rules, or (ii) a waiver is obtained from the Stock Exchange and approval by ordinary resolution is obtained from the Successor Company Shareholders at a general meeting, with the Promoters and their close associates abstaining from voting.

The principal terms and conditions of the Successor Company Listed Warrants will be set out in the Instrument and will include provisions to the effect set out below. Successor Company Warrantholders will be entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions of the Instrument, which will be posted on the Stock Exchange's website.

1. STATUS, FORM AND TITLE

(a) The Successor Company Listed Warrants shall at all times rank *pari passu* and without any preference or priority among themselves, and, save for such exceptions as may be provided by mandatory provisions of applicable legislation, shall at all times rank at least equally with all of the Successor Company's other options or warrants exercisable into Successor Company Shares that are in issue.

(b) The Successor Company Listed Warrants are issued in certificated form. The holder of any Successor Company Listed Warrant shall (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the certificate issued in respect of it (the "**Certificate**")) and no person shall be liable for so treating the holder.

2. TRANSFERS OF SUCCESSOR COMPANY LISTED WARRANTS; ISSUE OF CERTIFICATES

The Successor Company Listed Warrants or interests in such Successor Company Listed Warrants are transferable, in whole or in part, subject to the terms of the Conditions (as defined in the Instrument).

Subject to these Conditions:

(a) any Successor Company Warrantholder who holds Successor Company Listed Warrants registered in the name of HKSCC Nominees, may transfer all or any of its Successor Company Listed Warrants electronically on CCASS with the clearance and settlement of such transfer completed on CCASS;

(b) any Successor Company Warrantholder who holds Successor Company Listed Warrants registered in its own name in the register of Successor Company Warrantholders as maintained by the Hong Kong Share Registrar (the "**Register**"), may transfer all or any of its Successor Company Listed Warrants by an instrument of transfer in any usual or common form consistent with the standard form of transfer as prescribed by the Stock Exchange or such other form as may be approved by the Board. The instrument of transfer shall be executed by or on behalf of both the transferor and the transferee and may be under hand or, if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time; or

(c) Successor Company Listed Warrants held by any Successor Company Warrantholder and registered in the name of HKSCC Nominees may be transferred to the Successor Company Warrantholder's own name by an instrument of transfer in any usual or common form consistent with the standard form of transfer as prescribed by the Stock Exchange or such other form as may be approved by the Board. The instrument of transfer shall be executed by or on behalf of both the transferor and the transferee and may be under hand or, if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

No transfer of a Successor Company Listed Warrant shall be valid unless and until entered on the Register of Successor Company Warrantholders.

The Hong Kong Share Registrar shall be entitled to charge a service fee for any exchange or registration of transfer of Successor Company Listed Warrants prescribed by the Listing Rules payable by the Successor Company Warrantholder or transferees.

The Successor Company Shares in board lots of 500 and the Successor Company Listed Warrants in board lots of 11,000 shall trade on the Main Board of the Stock Exchange.

3. EXERCISE RIGHT, EXERCISE PRICE AND EXERCISE PERIOD

3.1 Exercise Right

(a) The Successor Company Listed Warrants are only exercisable on a cashless basis. Subject to these Conditions, each Successor Company Warrantholder is entitled at its option to exercise of its Successor Company Listed Warrants, at the Exercise Price (subject to any adjustments), at any time during the Exercise Period, for such number of Successor Company Shares credited as fully paid, as determined in accordance with the following formula (the "**Exercise Right**"):

$$N = W \times \frac{(FMV - EP)}{FMV}$$

Where:

- N = the number of Successor Company Shares a Successor Company Warrantholder shall receive upon the exercise of its Successor Company Listed Warrants
- W = the number of Successor Company Shares underlying the Successor Company Listed Warrants being exercised by the Successor Company Warrantholder
- FMV = the Fair Market Value, being the average reported closing price of the Successor Company Shares (on a per Successor Company Share basis) for the 10 trading days immediately prior to the Exercise Date, provided, however that if the Fair Market Value is HK$20.00 or higher, the Fair Market Value shall be deemed to be HK$20.00 (the "**FMV Cap**")
- EP = the Exercise Price in effect on the Exercise Date

(b) In no event shall the Successor Company Listed Warrants be exercisable for more than 0.425 (the "**Maximum Conversion Ratio**") of a Successor Company Share per Successor Company Listed Warrant (subject to any adjustments). In no event shall the Successor Company be required to net cash settle any Warrant. Each Successor Company Listed Warrant shall, following its exercise in accordance with these Conditions, be canceled by the Successor Company.

3.2 Exercise Period

(a) All Successor Company Listed Warrants shall become exercisable in the period (the "**Exercise Period**") commencing on and including the date which is 30 days after the date on which the Successor Company completes a De-SPAC Transaction, and terminating at 5:00 p.m., Hong Kong time, on the Expiration Date (as defined below).

(b) The Successor Company Listed Warrants will expire on the date (the "**Expiration Date**") which is the earliest to occur of:

(i) 5:00 p.m., Hong Kong time, on the date that is five years after the date on which the Successor Company completes a De-SPAC Transaction;

(ii) the Liquidation of the Successor Company (the "**Liquidation**") (including in connection with the occurrence of a liquidation event), in accordance with and pursuant to the memorandum and articles of association of the Successor Company (as amended from time to time) and applicable law and regulations (including the Listing Rules), each as amended from time to time; and

(iii) 5:00 p.m., Hong Kong time, on the Redemption Date (as defined below) in connection with a redemption in accordance with the Instrument.

provided if the Expiration Date is not a business day, the business day immediately prior to the Expiration Date.

(c) Each Successor Company Listed Warrant not exercised on or before the Expiration Date shall lapse and cease to be valid for any purpose, and all rights in respect thereof under these Conditions shall cease at 5:00 p.m., Hong Kong time, on the Expiration Date.

(d) Any Successor Company Listed Warrant in respect of which an Exercise Notice shall not have been duly completed and delivered in the manner set out in these Conditions to the Hong Kong Share Registrar on or before 5:00 p.m., Hong Kong time, on the Expiration Date shall become void and expire without value.

(e) Save as provided in the Instrument, the Successor Company Listed Warrants are not redeemable.

(f) The Successor Company Warrantholders shall not receive any amounts in respect of their unexercised Successor Company Listed Warrants payable by the Successor Company to redeem any Successor Company Shares and shall not receive any distribution in the event of a Liquidation and all such Successor Company Listed Warrants shall automatically expire without value upon a Liquidation.

3.3 Exercise Price

(a) Subject to the paragraph (b) below, the holder for the time being of each Successor Company Listed Warrant shall have the right, by way of exercise of the Exercise Right attaching to such Successor Company Listed Warrant, at any time during the Exercise Period, to exercise such Successor Company Listed Warrants for Successor Company Shares at a price per share equal to HK$11.50 (subject to any adjustments) (the "**Exercise Price**").

(b) A Successor Company Listed Warrant is only exercisable:

(i) when the average reported closing price of the Successor Company Shares for the 10 trading days immediately prior to the date on which the duly completed and signed Exercise Notice is received by the Hong Kong Share Registrar is at least HK$11.50 per Successor Company Share (subject to any adjustments); and

(ii) on a cashless basis.

3.4 No fractional Successor Company Shares

(a) Notwithstanding any provision contained in these Conditions to the contrary, only whole Successor Company Listed Warrants are exercisable.

(b) Notwithstanding any provision contained in these Conditions to the contrary, and save as provided in this Condition, the Successor Company shall not issue fractional Successor Company Shares upon the exercise of Successor Company Listed Warrants. If pursuant to these Conditions, the holder of any Successor Company Listed Warrant would be entitled, upon the exercise of such Successor Company Listed Warrant, to receive a fractional interest in a Successor Company Share, the Successor Company shall, upon such exercise, round down to the nearest whole number the number of Successor Company Shares to be issued to such holder. However, if more than one Successor Company Listed Warrant is exercised at any one time such that Successor Company Shares to be issued on exercise are to be registered in the same name, the number of such Successor Company Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Successor Company Listed Warrants being so exercised and rounded down to the nearest whole number of Successor Company Shares. No cash shall be paid in lieu of fractional Successor Company Shares.

3.5 Other conditions

(i) No Successor Company Listed Warrants shall be exercisable and the Successor Company shall not be obligated to issue Successor Company Shares upon exercise of any Successor Company Listed Warrants unless the Successor Company Shares issuable upon such exercise of Successor Company Listed Warrants have been registered, qualified or deemed to be exempt from registration or qualification under the securities laws of the jurisdiction of residence or domicile of the holder of (or, if such laws require, the beneficial holder) such Successor Company Listed Warrants.

(ii) The Successor Company Listed Warrants and the Successor Company Shares issuable upon the exercise of the Successor Company Listed Warrants will not be registered with the United States Securities and Exchange Commission or be qualified for issuance in any jurisdiction outside Hong Kong. Holders of Successor Company Listed Warrants who are resident or domiciled outside Hong Kong may not be able to exercise their Successor Company Listed Warrants if they are prevented by applicable securities laws from receiving Successor Company Shares as a result of such exercise and the Successor Company will not issue Successor Company Shares to such holders, and the holders will be required to sell their Successor Company Listed Warrants on the Stock Exchange.

4. PROCEDURE FOR EXERCISE OF SUCCESSOR COMPANY LISTED WARRANTS

4.1 Exercise Notice

(a) To exercise the Exercise Right attaching to any Successor Company Listed Warrant, the Successor Company Warrantholder must:

(i) deliver to the Hong Kong Share Registrar at its own expense before 4:30 p.m. Hong Kong time on any business day prior to the Expiration Date and before 5:00 p.m. Hong Kong time on the Expiration Date, during the Exercise Period at the Hong Kong Share Registrar's specified office in Hong Kong a duly completed and signed exercise notice (an "**Exercise Notice**") substantially in the form set out in Schedule 3 to the Instrument, together with the relevant Certificate(s);

(ii) furnish such evidence (if any) as the Hong Kong Share Registrar may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Successor Company Warrantholder (including every joint Successor Company Warrantholder, if any) or otherwise to ensure the due exercise of the Successor Company Listed Warrants; and

(iii) if applicable, pay any fees for certificates for the Successor Company Shares to be issued and the expenses of, and submit any necessary documents required in order to effect, the registration of the Successor Company Shares in the name of the person or persons specified for that purpose in the Exercise Notice and delivery of the certificates for the Successor Company Shares in accordance with the provisions of paragraph 4.4 below.

(b) Exercise Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in Hong Kong.

(c) Exercise Rights may be exercised in respect of one or more Successor Company Listed Warrants.

(d) Once a duly completed and signed Exercise Notice has been delivered and the Certificate in respect of such Successor Company Listed Warrants has been surrendered, neither the relevant Successor Company Listed Warrants nor the relevant Exercise Notice may be withdrawn without the consent in writing of the Successor Company.

4.2 Exercise Date

(a) The exercise date in respect of a Successor Company Listed Warrant (the "**Exercise Date**") shall be deemed to be the date on which the duly completed and signed Exercise Notice is received by the Hong Kong Share Registrar (or such date is not a business day, the next business day).

(b) A Warrant shall (provided that the provisions of paragraph 4.1 above are complied with) be treated as exercised on the Exercise Date relating to that Successor Company Listed Warrant. The relevant Certificates shall be canceled as soon as practicable but in any event not later than five business days after the Exercise Date.

4.3 Taxes

(a) The Successor Company must pay directly to the relevant authorities any taxes and capital, stamp, issue, documentary and registration duties ("**Taxes**") which are required to be paid by the Successor Company according to applicable laws and regulations arising on the execution and delivery of the Instrument, the issue of the Successor Company Listed Warrants, the issue of Successor Company Shares on exercise of the Successor Company Listed Warrants and/or the delivery of certificates on exercise of the Successor Company Listed Warrants.

(b) The Successor Company shall be entitled to make any deduction or withholding for or on account of Taxes which it is required by law to make from any payment to be made by the Successor Company under this Instrument.

(c) The transfer of the Successor Company Listed Warrants registered in the Register will be subject to Hong Kong stamp duty as stipulated under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). Profits from dealings in the Successor Company Listed Warrants arising in or derived from Hong Kong may also be subject to Hong Kong profits tax as stipulated under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong). The Successor Company Warrantholder shall be responsible for and must pay any Taxes in connection with a transfer of the Successor Company Listed Warrants pursuant to these Conditions and must declare in the relevant Exercise Notice that any amounts payable to the relevant tax authorities pursuant to this Condition have been paid, subject to any exemptions or waivers therefrom available to the Successor Company Warrantholder under applicable law.

4.4 Issue of Successor Company Shares

(a) A Successor Company Warrantholder:

(i) who holds Successor Company Listed Warrants registered in its own name in the Register, upon exercise of such Successor Company Listed Warrants will receive physical share certificates in its name in respect of the Successor Company Shares issued upon the exercise of such Successor Company Listed Warrants; or

(ii) who holds Successor Company Listed Warrants registered in the name of HKSCC Nominees, upon exercise of such Successor Company Listed Warrants will receive the certificate in respect of the Successor Company Shares arising from the exercise of such Successor Company Listed Warrants in the name of, and to, HKSCC Nominees for the credit of the account(s) of such Successor Company Warrantholder or the designated CCASS Participant's account of such Successor Company Warrantholder.

(b) The Successor Company shall allot and issue the Successor Company Shares arising from the exercise of the relevant Successor Company Listed Warrants by a Successor Company Warrantholder in accordance with the instructions of such Successor Company Warrantholder as set out in the Exercise Notice and:

(i) where such Successor Company Warrantholder will receive physical share certificates in respect of the Successor Company Shares arising from the exercise of the relevant Successor Company Listed Warrants (the "**Warrant Shares**"), the Successor Company shall as soon as practicable but in any event not later than five business days after the relevant Exercise Date register the person as holder(s) of the Warrant Shares in the Successor Company's register of members, and make the certificate in respect of the Warrant Shares and the new certificate in respect of the Successor Company Listed Warrants which have not been exercised available for collection at the office of the Hong Kong Share Registrar (being Tricor Investor Services Limited at 17/F., Far East

Finance Centre, 16 Harcourt Road, Hong Kong) or such other places in Hong Kong as may be notified to Successor Company Warrantholders in accordance with the provisions set out in paragraph 10 below or, if so requested in the relevant Exercise Notice, cause the Hong Kong Share Registrar to mail (at the risk and expense of the holder of such Warrant Shares and the holder of such Successor Company Listed Warrants which have not been exercised) such certificate to the person and at the place specified in the Exercise Notice; and

(ii) where the relevant Successor Company Listed Warrants are registered in the name of HKSCC Nominees, the Successor Company shall as soon as practicable but in any event not later than five business days after the relevant Exercise Date, register HKSCC Nominees as holder of the Warrant Shares in the Successor Company's register of members and shall despatch the certificate in respect of such Warrant Shares and the new certificate in respect of the Successor Company Listed Warrants which have not been exercised in the name of, and to, HKSCC Nominees for the credit of the account(s) of such Successor Company Warrantholder or the designated CCASS Participant's account of such Successor Company Warrantholder.

(c) A single share certificate shall be issued in respect of all Successor Company Shares issued on the exercise of the Successor Company Listed Warrants subject to the same Exercise Notice and which are to be registered in the same name, nevertheless multiple share certificates may be issued to HKSCC Nominees when HKSCC Nominees has specifically requested for the purpose of operational needs.

(d) The person shall become the holder of record of the number of Successor Company Shares issuable upon exercise with effect from the date he is or they are registered as such in the Successor Company's register of members (the "**Registration Date**").

(e) The Warrant Shares issued upon exercise of the Exercise Right shall be fully paid and shall in all respects rank *pari passu* with the fully paid Successor Company Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law and except that such Successor Company Shares shall not be eligible for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant Registration Date.

5. REDEMPTION OF SUCCESSOR COMPANY LISTED WARRANTS

5.1 Redemption of Successor Company Listed Warrants

Commencing from at least 12 months after the completion of the De-SPAC Transaction, the Successor Company may, at its sole discretion, redeem all (and not some) of the outstanding unexercised Successor Company Listed Warrants at the redemption price, by giving notice in writing (the "**Redemption Notice**") to the Successor Company

Warrantholders, if the last reported sale price of the Successor Company Share equals or exceeds HK$20.00 per Successor Company Share (the "**Redemption Threshold**") for any 20 trading days within a 30 trading day period ending on the third trading day immediately prior to the date on which the Redemption Notice is provided to the Successor Company Warrantholders, subject to any adjustment. The Successor Company shall fix and specify in the Redemption Notice a redemption date (the "**Redemption Date**") which shall be not less than 30 days from the date of the Redemption Notice, and the Redemption Notice shall be given to Successor Company Warrantholders in accordance with the provision of paragraph 10 below.

5.2 Payment of Redemption Price

As soon as practicable after the Redemption Date, the Successor Company shall pay the Successor Company Warrantholders the aggregate redemption price for the Successor Company Listed Warrants being redeemed by sending them a check drawn payable to the relevant Successor Company Warrantholder by ordinary mail at the risk of the Successor Company Warrantholder to the address of such Successor Company Warrantholder appearing on the Register.

5.3 Suspension of trading of Successor Company Listed Warrants

(a) Trading in the Successor Company Listed Warrants on the Stock Exchange is expected to cease at 4:00 p.m. Hong Kong time on the Redemption Date (or such other date as the Successor Company may notify Successor Company Warrantholders when the Redemption Notice is issued). Any unexercised Successor Company Listed Warrants outstanding as at the Redemption Date shall be redeemed by the Successor Company at the redemption price. Any Successor Company Listed Warrants so redeemed shall be deemed to be canceled and lapse.

(b) For the avoidance of doubt, subject to paragraph 3.3(b), Successor Company Warrantholders may exercise their Successor Company Listed Warrants at any time during the Redemption Period (even if the price of the Successor Company Shares decreases to below the Redemption Threshold) and receive a number of Successor Company Shares equal to the product of the number of Successor Company Shares underlying their Successor Company Listed Warrants and the Maximum Conversion Ratio. Any Successor Company Listed Warrants in respect of which an Exercise Notice has been delivered during the Redemption Period shall not be redeemed, and a Successor Company Warrantholder shall not be entitled to receive the redemption price in respect of such exercised Successor Company Listed Warrants. Following the Redemption Date, any Successor Company Warrantholder whose Successor Company Listed Warrants have not been duly exercised in accordance with these Conditions, shall have no further rights except to receive, upon surrender of the Successor Company Listed Warrants, the redemption price.

(c) The Successor Company shall publish an announcement on the Stock Exchange, setting out (amongst other things) the date of the Redemption Notice and the deadline for holders of Successor Company Listed Warrants to exercise their Successor Company Listed Warrants, at least one trading day prior to the date the Successor Company sends the Redemption Notice to Successor Company Warrantholders.

6. ANTI-DILUTION ADJUSTMENTS

6.1 Payment of Redemption Price

(a) In the event of any sub-division or consolidation of Successor Company Shares, the number of Successor Company Shares issuable on exercise of each Successor Company Listed Warrant shall be correspondingly adjusted in proportion to the increase or decrease, as applicable (provided that such adjustment shall not result in the Promoters being entitled to more than 20 per cent of the total number of Shares in issue on the Listing Date, as adjusted by such sub-division or consolidation of Successor Company Shares).

(b) The share price triggers for the exercise of the Successor Company Listed Warrants, the Exercise Price, the FMV Cap and the Redemption Threshold shall also be adjusted proportionately for the events set out in the paragraph (a) above.

6.2 Other events

Adjustments for dilutive events not provided for in paragraph (a) above may be proposed by the Board, acting on a fair and reasonable basis and always subject to any requirements under the Listing Rules.

6.3 Announcement of Adjustments

The Successor Company shall provide details of any adjustments, following consultations with the Stock Exchange, to Successor Company Warrantholders through a Stock Exchange announcement.

7. FURTHER ISSUES

Subject to compliance with the Listing Rules (including approval from the Stock Exchange), the Successor Company may from time to time create and issue further warrants ranking equally in all respects with the Successor Company Listed Warrants and so that any such further warrants may carry rights identical in all respects to those attaching to the Successor Company Listed Warrants.

8. MEETINGS OF SUCCESSOR COMPANY WARRANTHOLDERS AND MODIFICATION OF RIGHTS

8.1 Meetings

(a) The Instrument contains provisions for convening meeting of Successor Company Warrantholders (including requirements as to notice and quorum) to consider any matter affecting their interests, including the approval of any amendment of the Successor Company Listed Warrants or the Instrument.

(b) A resolution duly passed at any meeting of Successor Company Warrantholders shall be binding on all Successor Company Warrantholders, whether or not they were present at the meeting. Successor Company Listed Warrants which have not been exercised but have been lodged for exercise shall not confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Successor Company Warrantholders.

8.2 Minor alterations

(a) The Successor Company may, without the consent of the Successor Company Warrantholders but in accordance with the terms of the Instrument and with the approval of the Stock Exchange, effect any amendment to the Successor Company Listed Warrants or the Instrument which, in the opinion of the Successor Company, is:

(i) to cure any ambiguity or correct any mistake, including to conform the provisions of the Instrument to the description of the terms of the Successor Company Listed Warrants and the Instrument set forth in this listing document, or defective provision;

(ii) to make any amendments that are necessary in the good faith determination of the Board (taking into account then existing market precedents) to allow for the Successor Company Listed Warrants to be classified as equity in the Successor Company's financial statements; provided that such amendments shall not allow any modification or amendment to the Instrument that would increase the Exercise Price or shorten the Exercise Period; or

(iii) to add or change any provisions with respect to matters or questions arising under the Instrument as the Board may deem necessary or desirable and that the Board deems to not adversely affect the rights of the Successor Company Warrantholders in any material respect.

(b) Any such modification made by the Successor Company in accordance with the conditions (i)-(iii) set out above shall be binding on all Successor Company Warrantholders and all persons having an interest in the Successor Company Listed Warrants and shall be notified to them in accordance with the Instrument as soon as practicable thereafter.

8.3 Other amendments

Other than any amendments made by the Successor Company in accordance with the conditions (i)-(iii) set out above, all other modifications or amendments to the Successor Company Listed Warrants or the Instrument shall comply with the requirements under the applicable laws and regulations and Listing Rules and shall first have been approved by the vote or written consent of the holders of at least 50% of the then outstanding Successor Company Listed Warrants, provided that any amendment that solely affects the terms of the Successor Company Promoter Warrants or any provision of the Instrument solely with respect to the Successor Company Promoter Warrants will also require the vote or written consent of at least 50% of the then outstanding Successor Company Promoter Warrants.

9. REPLACEMENT OF CERTIFICATES

(a) Should any Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Hong Kong Share Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Successor Company may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements shall be issued.

(b) If a Certificate is mutilated, defaced, lost, stolen or destroyed, it may, subject to applicable law and at the discretion of the Hong Kong Share Registrar, be replaced upon request by the Successor Company Warrantholder at the specified office of the Hong Kong Share Registrar on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence, indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Certificate in respect of the Successor Company Listed Warrants is subsequently exercised, there shall be paid to the Successor Company on demand the market value of the Successor Company Listed Warrants at the time of the replacement thereof), advertisement, undertaking and otherwise as the Successor Company may require. Mutilated or defaced Certificates must be surrendered to the Successor Company before replacements shall be issued. The replacement Certificate shall be issued to the registered holder of the Certificate replaced.

10. NOTICES

(a) Every Successor Company Warrantholder shall register with the Successor Company an address in Hong Kong or elsewhere to which notices can be sent and if any Successor Company Warrantholder shall fail so to do, notice may be given to such Successor Company Warrantholder in any manner set out in the Instrument to its last known place of business or residence.

(b) Notices to the Successor Company Warrantholders shall be valid if delivered by hand, ordinary mail, registered post, courier or facsimile to them at their respective addresses in the Register and in the case of joint holdings, to the Successor Company Warrantholder whose name appears first in the Register of Successor Company Warrantholders. Alternatively, notices to the Successor Company Warrantholders may be given by the Successor Company through publication of an announcement on the Stock Exchange website.

(c) A notice given under the Instrument shall be effective upon receipt and shall be deemed to have been received: (i) at the time of delivery, if delivered by hand, ordinary mail, registered post or courier, (ii) at the time of transmission if delivered by facsimile or (iii) at the time of publication of the relevant announcement on the Stock Exchange website. Where delivery occurs outside business hours in the place of receipt, notice shall be deemed to have been received at the start of business hours in the place of receipt on the next following Business Day.

11. GOVERNING LAW AND JURISDICTION

The Instrument and the Successor Company Listed Warrants and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Hong Kong law.

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk**, TechStar's website at **www.techstaracq.com** and the Successor Company's website at **www.seyond.com** during a period of 14 days from the date of this circular:

(a) the TechStar Articles;

(b) the Private Company Memorandum and Articles of TechStar;

(c) the Successor Company Memorandum and Articles;

(d) the service contracts or the letters of appointment with the Directors of the Successor Company referred to in the subsection headed "Statutory and General Information – D. Further Information about the Directors and Substantial Shareholders of the Successor Company – 2. Particulars of Service Contracts" in Appendix VII to this circular;

(e) the letter from the TechStar Board dated November 12, 2025, the text of which is set out in "Letter from TechStar Board";

(f) the Offering Circular of TechStar, and the annual reports of TechStar for the years ended December 31, 2022, 2023 and 2024, respectively;

(g) the Accountant's Report and the report on the unaudited pro forma financial information of the Successor Group from Deloitte Touche Tohmatsu, the texts of which are set out in Appendix I and Appendix III to this circular, respectively;

(h) the audited consolidated financial statements of the Target Company for the three financial years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2025;

(i) the PRC legal opinions issued by Fangda Partners, the Target Company PRC Legal Adviser, in respect of certain general corporate matters and the property interests of the Target Group in the PRC;

(j) the letter of advice prepared by Walkers (Hong Kong), the Target Company's legal adviser as to the laws of the Cayman Islands, summarizing certain aspects of the Cayman Islands company law referred to in Appendix V to this circular;

(k) the industry report prepared by China Insights Industry Consultancy Limited;

(l) the Cayman Companies Act;

(m) the material contracts referred to in the subsection headed "Statutory and General Information – C. Further Information about the Business – 1. Summary of Material Contracts" in Appendix VII to this circular;

(n) the written consents referred to in the subsection headed "Statutory and General Information – F. Other Information – 10. Consent of Experts" in Appendix VII to this circular;

(o) the terms of the 2016 Share Incentive Plan;

(p) the terms of the Post-Listing Share Incentive Plan;

(q) the 2025 Interim Results of TechStar;

(r) a copy of this circular;

(s) the legal memorandum prepared by Hogan Lovells International LLP, the Target Company's legal adviser as to the U.S. export control laws and U.S. foreign investment laws;

(t) the legal opinions prepared by Han Kun Law Offices, the Target Company's Litigation Counsel, as to certain aspects of ongoing litigation in relation to patent disputes;

(u) the legal opinions prepared by BZW Law Firm, the Target Company's Litigation Counsel, as to certain aspects of ongoing litigation in relation to patent disputes; and

(v) the legal opinion prepared by Jingtian & Gongcheng, the PRC legal adviser to the Joint Sponsors and the Overall Coordinators, as to certain aspects of ongoing litigation in relation to patent disputes.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of a list of grantees under the 2016 Share Incentive Plan, containing all details as required under the Listing Rules, will be available for inspection at the office of Davis Polk & Wardwell at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from date of this circular.

TechStar Acquisition Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7855)

(Warrant Code: 4855)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting ("**EGM**") of TechStar Acquisition Corporation ("**TechStar**") will be held at Unit No. 1506B, Level 15, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, December 1, 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions of TechStar:

ORDINARY RESOLUTIONS

1. "**THAT**, subject to the passing of resolution (2) and conditional upon the Listing Committee granting the listing of, and permission to deal in, the Successor Company Shares and Successor Company Listed Warrants on the Main Board of The Stock Exchange of Hong Kong Limited:

   (A) the Business Combination Agreement dated December 20, 2024 and as supplemented on September 25, 2025 and November 6, 2025, respectively (a copy of which marked "**A**" has been tabled before the EGM and signed by the chairman of the EGM for the purpose of identification), and the De-SPAC Transaction and other transactions contemplated thereunder (including, among others, the Bonus Share Issue), as more particularly described in the circular issued by TechStar on November 12, 2025 (the "**Circular**", a copy of which marked "**B**" has been tabled before the EGM and signed by the chairman of the EGM for the purpose of identification), be and are hereby approved, confirmed and ratified;

   (B) the PIPE Investment Agreements each dated December 20, 2024 (a copy of which marked "**C1**" to "**C3**", have been tabled before the EGM and signed by the chairman of the EGM for the purpose of identification), and the PIPE Investments contemplated thereunder, as more particularly described in the Circular, be and are hereby approved, confirmed and ratified;

   (C) from the date of the Business Combination Agreement until the Effective Time, TechStar be and is authorized to enter into agreements for the Permitted Equity Financing described in the Circular for an aggregate amount of proceeds to be funded to the Target Company of up to HK$1,000,000,000, and the Permitted Equity Financing be and is also hereby approved;

(D) the TechStar Directors acting collectively or individually, be and are hereby authorized to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to this Ordinary Resolution and all of the transactions contemplated thereunder."

2. "**THAT**, subject to the closing of the De-SPAC Transaction (as approved by the passing of resolution (1) or with such amendment to its terms as may be approved by TechStar Shareholders in any general meeting), the withdrawal of the listing of the TechStar Class A Shares on the Main Board of The Stock Exchange of Hong Kong Limited be and is hereby approved, and the TechStar Directors acting collectively or individually, be and are hereby authorized to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to this Ordinary Resolution."

SPECIAL RESOLUTIONS

3. "**THAT**, subject to the passing of resolution (1):

(A) the plan of merger, by and between TechStar and Seyond Merger Sub Limited ("**Merger Sub**") (in the form marked "**D**" which has been tabled before the EGM and signed by the chairman of the EGM for the purpose of identification) (the "**TechStar Plan of Merger**"), be authorized and approved in all respects;

(B) TechStar be authorized to merge with Merger Sub (the "**Merger**") so that TechStar will be the surviving company (surviving the Merger as a wholly owned subsidiary of Seyond Group, in accordance with the terms and subject to the conditions of the Business Combination Agreement and TechStar Plan of Merger) and all the property, rights, debts, liabilities, duties and obligations of Merger Sub and TechStar shall vest in TechStar by virtue of the Merger pursuant to the provisions of the Companies Act (As Revised) of the Cayman Islands (the "**Cayman Companies Act**");

(C) TechStar be authorized to enter into the TechStar Plan of Merger;

(D) there being no holders of any outstanding security interest granted by TechStar immediately prior to the Effective Time (as defined in the TechStar Plan of Merger), the TechStar Plan of Merger be executed by any one TechStar Director on behalf of TechStar and any TechStar Director or his/her authorized person or delegate or agent thereof, be authorized to submit the TechStar Plan of Merger, together with any supporting documentation, for registration to the Registrar of Companies of the Cayman Islands; and

(E) the TechStar Directors acting collectively or individually, be and are hereby authorized to take all such steps, do all such acts and things and to sign, execute, seal (where required) and deliver all such documents which he/she may in his/her absolute discretion, consider necessary, appropriate, desirable or expedient in connection with or to implement or give effect to this Special Resolution and all of the transactions contemplated thereunder."

4. "**THAT**, subject to (i) the passing of resolution (2) and (ii) the passing of resolution (3) or the passing of a special resolution by TechStar Shareholders in any general meeting to approve a plan of merger, the amended and restated memorandum and articles of association of TechStar as the surviving company of the Merger (a copy of which marked "**E**" has been tabled before the EGM and signed by the chairman of the EGM for the purpose of identification) (the "**TechStar Private Company Memorandum and Articles**") be and is hereby approved and adopted as at the Effective Time (as defined in the TechStar Plan of Merger or in a plan of merger approved by TechStar Shareholders in any general meeting) as the memorandum and articles of association of TechStar in substitution for and to the exclusion of the TechStar Articles in effect immediately before the Effective Time and the TechStar Directors and the company secretary of TechStar acting collectively or individually, be and are hereby authorized to do all things necessary to effect and record the adoption of the TechStar Private Company Memorandum and Articles, including without limitation, attending to the necessary filings with the Registrar of Companies in Hong Kong and the Cayman Islands, where applicable."

By Order of the TechStar Board
TechStar Acquisition Corporation
NI Zhengdong
Chairman of the TechStar Board

Hong Kong, November 12, 2025

Registered Office
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong
Unit No. 1506B, Level 15
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Notes:

1. Unless otherwise indicated, capitalized used in this notice shall have the same meanings as those defined in the circular dated November 12, 2025 issued by TechStar (the "**Circular**").

2. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and TechStar in accordance with the Listing Rules.

3. Any shareholder of TechStar entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more than one proxy or the same proxy under one or more instruments to attend and vote instead of him/her. A proxy need not be a shareholder of TechStar. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form(s) of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.

4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to TechStar's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (the "**Hong Kong Share Registrar**"), at least 48 hours before the EGM (i.e. before 9:00 a.m. on Saturday, November 29, 2025) or any adjourned meeting thereof. Completion and return of the form(s) of proxy will not preclude a shareholder of TechStar from attending and voting in person at the EGM or any adjourned meeting thereof should he/she so wish.

5. For determining the entitlement to attend and vote at the EGM, the register of members of TechStar will be closed from Thursday, November 27, 2025 to Monday, December 1, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares of TechStar shall ensure that all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, November 26, 2025 for registration.

6. In case of joint shareholders, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of TechStar in respect of the joint shareholding.

7. References to time and dates in this notice are to Hong Kong time and dates.

8. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above, or "extreme conditions" caused by a super typhoon announced by the government of Hong Kong is/are in force in Hong Kong at or before 7:00 a.m. on Monday, December 1, 2025, the EGM will not be held on that day but will be automatically postponed. TechStar Shareholders may visit TechStar's website at www.techstaracq.com for details of the postponement and alternative meeting arrangements.

9. In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.

As at the date of this notice, the Board of Directors of TechStar comprises Mr. NI Zhengdong, Mr. LUO Xuan, Mr. LI Zhu, Mr. CHEN Yaochao and Ms. JIANG Jun as executive Directors, Mr. LAU Wai Kit as non-executive Director, and Mr. ZHANG Min, Mr. XUE Linnan and Dr. LI Weifeng as independent non-executive Directors.